Daily Report

East Europe

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FBIS-EEU-95-047 *10 March 1995*

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Plans for 'Mock-Attempt' To Murder U.S. Envoy

LD0903152895 Belgrade TANJUG in English 1451 GMT 9 Mar 95

[FBIS Transcribed Text] Belgrade, March 9 (TANJUG)—Slovenian intelligence sources have said that the Croatian intelligence service planned a terrorist action which would be blamed on the Serbs.

Croatia would then use the international community's anger at the Serbs to carry out its decision to expell the United Nations Protection Force [UNPROFOR] with less difficulties, said the source.

The Belgrade weekly TELEGRAF quoted in its latest issue an unidentified member of the Slovenian intelligence service as saying that the Croatian national security office had prepared a detailed plan of the 'assassination attempt' on United States Ambassador to the United Nations Madeleine Albright.

The weekly said Croatia's intention had been to use a spectacular action to pave the way to a new U.N. Security Council severe resolution against the Serbs and a radical change in UNPROFOR's mandate in Croatia and the Republic of Serb Krajina.

The Republic of Serb Krajina has been placed under the protection of the United Nations, and, according to beliefs in Zagreb, lost for Croatia.

The weekly said the plan had been prepared under the patronage of a high official of the German intelligence service.

Slovenian intelligence sources said that Croatian intelligence experts, assisted by their German colleagues, had analysed internationally renowned figures who could serve the purpose of 'Operation Assassination Attempt.'

Albright had been chosen because the international community had been expected to blame the Serbs for the 'assassination,' said the weekly.

The planners based their expectations on the fact that a number of Serb commentators had already criticized 'the most influential old bag in Clinton's team' for her open aligning with guardians of the Croatian and the Bosnian Muslim interests, said the weekly.

According to the detailed plan of the mock-attempt, Albright would come out of it unharmed, but the shots, allegedly targetted at her, would have a thunderous echo among the world public.

An anti-Serb operation would be concluded by the Croatian lobbyists in the United Nations and Washington.

Slovenian intelligence sources said the Croatian national security office had carefully selected possible perpetrators for the 'assassination.' Top terrorists of the Islamic Hamas [Islamic Resistance Movement] organization had been employed to carry out the attack, the sources said, adding that a report by the Italian intelligence service had pointed at the same.

The weekly said this had been the reason for the presence in Zagreb of a number of top Hamas terrorists, undoubtedly confirmed by the Slovenian intelligence.

The sources said that Hamas was not just 'a terrorist rental service' but that it had always been deriving benefit to the certain Islamic circles.

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Berisha Reproaches Selami at PD Conference

AU0903210095 Tirana RILINDJA DEMOKRATIKE in Albanian 7 Mar 95 pp 1-2

[Speech by President Sali Berisha to the Extraordinary Conference of the Democratic Party held in Tirana on 5 March: "The Democratic Party Has Kept Its Word, Carried Out Its Contract With the Albanian Electorate and With Democracy, Albania, and Europe"]

[FBIS Translated Excerpt] [Passage omitted] Ladies and gentlemen, there is no place for euphoria in Albania, either now or for the remainder of this century. Rather, let us look at everything through a microscope. Let us remember that we have about 260,000 unemployed and that our infrastructure causes daily suffering to our citizens and requires improvement as soon as possible. Let us remember that our pensioners—and not they alone but many others—barely make ends meet, and that we should do more to enforce the law. Nevertheless, I wish to stress that never, ever, in the history of democracy has a political party implemented its electoral program item by item within its four-year mandate. The pace of the times makes this impossible. However, I wish to assure you that no political force has ever succeeded in achieving, within two and a half to three years, such a political, legal, institutional, legislative, and economic program of epoch-making transformation as has the Democratic Party [PD] of Albania.

All these things have been achieved starting from absolute zero, following emergence from deep isolation, and with a total lack of experience. They have been achieved through the drafting, issuing and enforcing of thousands of minutes, decrees, acts, laws, protocols, and agreements heretofore totally unknown to Albania and Albanians, who were emerging out of the depths of the communist darkness. These are the fruit of the effort, sweat, talent, and devotion of officials, specialists, and members of the government of the new administration that the PD and its appointees created, and of serious and dignified cooperation with foreign specialists from friendly countries and international institutions. Achieving every item in our program means relying on the labor, sweat, creative genius, talent, professional training and intellectuas, democratic, and patriotic dedication of hundreds and thousands of boys and girls, men and women, PD members, supporters and voters—and also all those who, regardless of their party convictions, support the reform. In your name, I wish to express deepest gratitude to these Albanian and foreign reformers. Our achievements become even more significant if we bear in mind that they have been attained under the pressure of the Red psychological terror, and the violence, deceit, slander, and antireform, antimarket, destructive propaganda of the Albanian left-wing extremists.

To deny our achievements, to say that the government has carried out only 20 percent of the PD's program, as you, Mr. Selami, have declared, means to look at things upside down or to join the chorus of antidemocratic and antireform elements that are emerging from the world of darkness and seeking to annihilate Albanian democracy at all costs. This is intolerable. To nihilistically deny our achievements means ignoring the important and progressive steps taken by the country's democratic system and favoring the return to power of the communists, or it means not feeling jointly responsible for these achievements—even though, my friends, you have been and remain so.

Your statement that only 3 percent of the central administration are PD members was not only untrue but demoralized the state administration, which was appointed by the PD and which, despite all its defects and shortcomings, has played a vital role in implementing the PD's reform program. Only those lacking respect for hard work, creativity, and other people—or who are pursuing certain ends—may permit themselves attacks based on this false information.

Mr. Selami, despite our indisputable achievements, of which you are aware, we are mainly tackling our nonachievements, and we have criticized plenty of ministries and the government as a whole for these. I have also criticized myself, and have asked the PD to correct itself. However, I have been disappointed to observe that your criticisms of the government were for the sake of your careerism and part of your battle to become prime minister, while I was indeed saddened when these criticisms became part of the macabre chorus that is under the direction of the Hoxha-ist secret police at the head of the Socialist Party, which aims to disparage and discredit not only the PD but the democratic system and its institutions. I was sad to see these criticisms associated with the immoral campaign of Enver-ists and Albanian Enver-ologists whose sights are trained not only on the PD and the government but on the future of democracy and the country. Your attack in your statement claiming that not 20 percent of what the PD promised has been carried out is based on a lie and I call on you to withdraw it. This would be much worthier of you.

Ladies and gentlemen, the people said no to the draft constitution on 6 November. In the days that followed, the PD showed its vitality and strength in [passage indistinct] never any ultimate defeat or victory but because the lack of success on 6 November was an event in the course of a noble, national, and democratic mission. At the first meeting of its National Council, the PD therefore determined, in a dignified manner, that the only way forward was to continue the struggle according to the rules of democracy. It made a series of decisions, not for early elections but for strengthening and reorganizing the PD, improving the government, accelerating reforms, and determining its future standpoint on the constitution. The irony of fate was that you, Mr. Chairman, who approved these decisions without the slightest reservation, have turned into the bitterest opponent of these measures.

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Mr. Selami, for myself and your close friends, your attitudes since the referendum have been extraordinary, unacceptable, and undemocratic. I personally have been very disappointed by your persistent demand to become prime minister—not because you do not have the right to ask such a thing, but because it is unreasonable to insist on it a mere 24 hours after the parliamentary group has confirmed its vote of confidence in the government. This demand of yours, raised in the third week of December in the presence of Mr. Meksi and, subsequently, Mr. Spahia and Mr. Shehu, naturally met with the categorical opposition of myself, Mr. Spahia, and Mr. Shehu. I told you that this was a destabilizing move. On the following day, the government won the parliament's vote of confidence, while you finally lost your head, asked to go away to reflect and tender your resignation. Suddenly, only three weeks later, i.e. in the second week of January, you again asked to become prime minister. You received the same reply from me.

To tell the truth, I considered your demands abnormal, eccentric and reminiscent of the twenties, when Albanians toppled and traded governments every two or three months. Nevertheless, I thought your trauma would pass and that you would be cured. I did not avoid you as a friend, and tried to help you. However, you suddenly came up with the theory about the makeup of the government and urged the government's immediate change, offering your own resignation. Meeting your demand for changing the government lineup would have meant slowing down the reform and early elections. You justified this by presenting the National Council with totally bogus data that surprised us all. By the serious step of your resignation and the pseudofacts you used to justify this irresponsible behavior, you performed a great service to Albanian left-wing extremism. However, the PD's National Council and leaders refused your resignation, albeit with a deep sense of disillusionment. You misunderstood the applause of the council's members. It did not mean that you were irreplaceable but was because of your contribution and the absurdity of the step you wanted to take.

With your resignation, you delivered a surprise blow to every PD member and supporter, and proved yourself not up to the responsibility of their trust. I say this bearing in mind later events. You then continued with an attack on the decision of the National Council, but this time adopted the theories of a group of people who, after having organized the year 1991, a black year in Albanian history, have been trying for three years to force the country into early elections with the help of the constitution. Thus, you took the unprecedented step of choosing as a "political movement" the program of Marxist-Leninist ideologists. In the history of the PD, only Neritan Ceka behaved in such a fashion, as he did six days before reading to me, in Ramiz Alia's office, that declaration that spelled his final end as a political personality. You know yourself what happened to you. Since 6 November, I think that the PD has clearly proved its ability to handle disappointment and confine itself to the rules of democracy.

At the meeting of the National Council in December, we decided that the constitution was to be approved by referendum, but that implies that this will take place after the elections, because a referendum needs at least one year before it can be repeated and ratified by parliament. We proposed a new commission to draft the constitution and elect one of the 15 exemplars of the EU member-states as a model for the separation of powers. The Socialist leadership, after giving its agreement, withdrew it again, Mukje-like [reference to wartime Conference of Mukje, at which communist delegations reached an agreement to fight the occupation forces alongside nationalists. The agreement was immediately repudiated by Enver Hoxha], and demanded that the constitution be brought before parliament. If parliament did not approve it, it was to go before another parliament, and finally they withdrew and ended up with an illegal commission, in proper Marxist fashion. To go along with their bluff and accept their theory of the constitution means portraying them as the real promoters of the constitution, when it is well known that they are the main hindrances to it. It means indirectly blaming the PD for the lack of a constitution and ignoring and discounting, just as they do, the titanic efforts of the PD to provide the country with a constitution. It means endorsing the anti-Albanian and antidemocratic attitudes of the Socialist Party at a time when, as you well know, our efforts for a constitution have many times outstripped what is written in our program on this issue. To defend the theory of left-wing extremists means provoking early elections or agreeing to give the country a Ruci constitution [reference to Socialist Party deputy Gramoz Ruci]. Our constitutional laws are a thousand times better than their Red constitution. The PD will never accept a constellation that establishes rule through a party-state in Albania.

Moreover, I wish to stress that in all the meetings I have had with the Council of Europe, the EU, and distinguished personalities and lawyers, they have advised me not to rush the constitution. First, it goes without saying that historically the referendum cannot be repeated before at least one year has elapsed and without securing a much broader consensus. Second, there is no legislative constitutional vacuum in Albania, and the Council of Europe and the other international institutions know this. However, you unexpectedly seized the initiative of the Socialist leadership and hurled yourself against the decision of the National Council. As an argument, you mention the fact that you want to give the country a constitution and for the PD to win in 1996. According to this logic, one might indeed wonder whether the Socialist leadership, whose theory you defend, contrived this theory in order to give the country a constitution and ensure a PD success.

We nevertheless patiently tried to convince you at two meetings of the Presidium. At the Presidium's most

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recent meeting, we asked you to withdraw your statement and close the issue—but in vain. We therefore went to the National Council, where, of all the speakers, only two or three supported your viewpoint.

At the National Council, I personally came out in favor of convening this conference. I did this for several reasons. First, I wanted the grass roots of the PD to discuss and define their stand on this issue. Second, we are all connected to one another. I could not, and will never, agree to important issues' not being discussed at all levels of the PD.

Third, by calling an extraordinary conference, we also showed you respect as chairman. The Council decided that the conference would take place. The dates of the *aktivs* were decided, and you took part in some of these. The discussions were of a democratic character. However, at these *aktivs* you attacked other National Council decisions and also such an essential element of the PD program as bonds, to which you had agreed at all the earlier meetings. So far, only the Socialists and some of their satellites have come out against bonds. To consider them a left-wing measure is a statement as untrue as it is ridiculous. At another *aktiv, you said that you had been against the referendum from the beginning. However, I want to remind you that at the most recent meeting of the National Council you admitted that the referendum struck you as a very good idea. On this occasion, I want to tell you as a friend that you either have advisers who consider politics to be the art of the immoral, or you have much more serious problems. In either case, I only feel sorry for you.*

A PD member or National Council member might criticize the idea of the referendum—but not you, who were the main advocate and supporter of this idea.

At the most recent meeting of the National Council, you at lunchtime misinformed the public by declaring to the media that the president was proposing to summon a conference and dismiss the PD chairman. You tried to turn this into my personal affair. I said at the National Council meeting—and I will repeat it here—that you, with your public opposition to the decisions of the National Council and your defense of Socialist Party theories; with your attempts to become prime minister twice within three weeks at a time when the government had just won a vote of confidence; and with your morally unjustified resignation, have ceased to be the party chairman. This Extraordinary Conference therefore had to be summoned and consulted on these matters.

It is, however, your right to speak out in whatever fashion you care to, although I would say that these tendencies of yours to personalize the problem at a time when you are known to be my closest colleague are not very worthy of you. For my part, I assure you that I have nothing personal against you—neither as the person I have respected, valued, and honored as a friend and coworker, as I believe was proper, nor as an Albanian politician. As for your attitudes that contradict the standpoints of the National Council, the contract we have with our Albanian electorate, and the PD Statute, I invite this conference to rescind its vote of confidence in the PD chairman, and at the same time I invite you, Mr. Selami, to make your contribution within the body of this party.

Opposition Parties Publish Own Draft Constitution

AU0903150395 Tirana GAZETA SHQIPTARE in Albanian 28 Feb 95 p 1

[Report by Andrea Stefani: "A 'Single Combat' of Constitutions Breaks Out"]

[FBIS Translated Text] Tirana—Though without a constitution, Albania already two drafts of the future basic law. Starting today, four opposition parties—the PS [Socialist Party], PSD [Social Democratic Party] AD [Democratic Alliance], and PBDNJ [Union for Human Rights]—will publish in their newspapers their variant of the draft constitution, which seems to be due to confront, critically and competitively, the draft that was submitted and voted on 6 November last year. Worked out by a special group of experts of these political forces, the "Opposition Constitution" besides things in common, offers a good number of differences to the former draft that was not fortunate enough to win the support of the majority of the population. The articles that seem to have undergone the greatest changes seem to be those on the powers of the President of the Republic, or those on the division of powers, much-debated issues during last year's electoral campaign. There is also a different formulation regarding the rights of the Albanians living outside Albania and the position of the political forces in the country.

What seems quite altered is the first part of the draft, where the general constitutional principles of organizing the state are dealt with. While considering unnecessary a separate provision sanctioning political pluralism the [words indistinct] explicitly defined the point that deals with banning political parties. Thus, this draft bans any activity of political parties threatening by violence the existence of the Republic, of its basic democratic institutions. From this article the opposition experts have deleted the whole paragraph banning the creating of parties along religious or ethnic lines. The clause, setting as a condition for the heads of large religious communities to be Albanians, born in Albania or to have had a permanent residence in Albania over the last twenty years does not feature in the second draft constitution. It was this clause that during the previous referendum had provoked protests on the part of Yanullatos, head of the Albanian Autocephalous Orthodox Church.

While the first article of the provision on the Albanians living abroad has not changed, this cannot be said about the second article of this provision. The new draft seems to be more explicit with regard to the support that the Republic of Albania, in compliance with international

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documents, should offer to the rights of the Albanian people outside Albania's borders "for self-determination and the solution of the national question in a democratic and peaceful way." The draft put to the referendum spoke of "recognizing and defending the human and national rights of the Albanian population living outside the Republic's borders."

Another article that is substantially altered in this chapter is also the one dealing with the tasks of the Armed Forces. According to the draft just submitted to the public, these forces will not have the task of securing "the constitutional order" of the Republic, but its sovereignty, independence and territorial integrity. The scalpel of opposition criticism has gone deeper into the articles dealing with the powers of the president of the Republic. In its draft, the president no longer enjoys legislative initiatives. What the former draft constitution prohibited the president was his being both president and party chairman at the same time. In the meantime, of 23 presidential powers enshrined in the previous draft constitution, only 12 have remained in the new draft.

Legality Movement Party Wants King Restored

AU0903155195 Tirana ATDHEU in Albanian 26 Feb 95 p 1

[Legality Movement Party announcement : "First Amendment in the Declaration of the Albanian Right-Wing League"]

[FBIS Translated Text] The Legality Movement Party is asking all those who have joined the LDSH [Albanian Right-Wing League] to give a written declaration of the following:

1. They favor an ethnic Albania.

2. They favor a referendum on the form of rule, before the constitution is approved.

3. All LDSH members should demand that the king be allowed to take part in the referendum campaign.

4. They should demand the abrogation of the decisions of the Permeti Congress. [of 24 May 1944, which banned King Zog's return to Albania]

5. LDSH members should issue a statement that they favor property restoration to the royal family.

The undersigned LDSH member forces accept the Legality Movement Party's demands:

National Front Party, Hysen Selfo, vice chairman
Republican Party, Sabri Godo, chairman
Democratic Union Party, Remzi Ndreu, chairman
Association of Former Political Prisoners and Detainees, Kurt Kola, chairman
Association of Former Political and Economic Persecutees, Haki Hajdari, chairman

Tirana, 9 February 1995

BSPSH Demands Pay Rise, Indexation to Inflation

AU1003121295 Tirana GAZETA SHQIPTARE in Albanian 1 Mar 95 (page number illegible)

[Interview with Valer Xheka, chairman of the Independent Trade Unions of Albania, by an unidentified GAZETA SHQIPTARE correspondent; place and date not given: "Xheka Tells the Government: 'Salaries Must Be Raised by 30 Percent'"]

[FBIS Translated Text] Tirana—The opposition of the Trade Union Movement to various aspects of the government's economic policy is rising increasingly in pitch. A few days ago, a meeting of education, health, university, and PTT [Post Telegraph Telephone] trade union activists sent a petition to Prime Minister Meksi and Labor Minister Dakli demanding, among other things, a 35-percent increase in the average salaries for school and university teachers and employees in the health and PTT sectors, as well as the indexation of salaries to inflation. These requests and objections against the government's taxation, protectionist, and privatization policies were expounded by the chairman of the Independent Trade Unions of Albania [BSPSH], Valer Xheka, at a meeting with the Labor Minister Engjell Dakli. Mr. Xheka explains for GAZETA SHQIPTARE some of the results of this meeting and the position of the BSPSH:

[GAZETA SHQIPTARE] What are the results of your meeting with the labor minister?

[Xheka] To be more precise, we must say that it is not from the labor minister that we are awaiting the answer, nor can it be just any old answer. In our meeting with the labor minister, we reiterated the requests we have already addressed to Prime Minister Meksi. We again made our demands—based on concrete figures and facts—clear, yet they have always been considered as just demands by the institutions that have to solve them.

[GAZETA SHQIPTARE] If the government gives a positive reply to your demands, what, in your opinion, would be the terms of their fulfillment?

[Xheka] We are for the language of mutual understanding, but would like the government dignitaries to become conscious that our demands have been made at an appropriate time—precisely when their realization has become an emergency, not only in terms of the trade unions but also in terms of the success of the economic reform. Nevertheless, it seems to me that it is the proper occasion here to stress that, in spite of the government's predisposition, the BSPSH has set 20 March 1995 as the deadline, a date that will find us at the negotiating table with the government. This meeting will determine the further attitude of our trade unions.

[GAZETA SHQIPTARE] If the government refuses to meet some of your demands, will it lead to a strike, and if so when will the strike take place?

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[Xheka] At the abovementioned meeting, our demands were described as demands that are just, but that is not enough. While making these demands, the trade unions have naturally also defined the ways, means, and terms of their realization. A strike is not an exception to the democratic means. The BSPSH will support the demands of its organizations with all the means it has at its disposal.

[GAZETA SHQIPTARE] What is your opinion on the bonds and the need for a protectionist policy? Is the government implementing indexation of pay with inflation according to the agreement it has reached with you?

[Xheka] Convinced of its priorities, we have insisted on privatization through bonds. However, we see that the government has not consulted us yet on the modalities of its application. Even the president's decree on this issue is belated. The lack of preliminary consultations with the trade unions on the decisions it has taken in the labor field is a negative characteristic feature of the Meksi government. Perhaps it is also one of the reasons of the weakness it has quite often manifested. Stimulating measures for the traditional products of Albanian industry and agriculture by restricting imports would send ripples through the working people's world, their interests, and beyond. We are quite determined to make no concessions in the field of indexing inflation in compliance with the agreement signed by both sides. On this point, there will be no compromise on our part and there is no concrete reason for us to tolerate it. This must be implemented during March.

Report Suggests 1994 Investment Targets Met

AU0903150095 Tirana LAJMI I DITES in Albanian 2 Mar 95 pp 1, 5

[Article by "A.Gj.": "Meksi Government Realizes 99 Percent of Budget Investment"]

[FBIS Translated Text] In terms of economic and financial results, 1994 was a year in which the country's macroeconomic situation considerably improved as compared with previous years. According to the Institute of Statistics, the main indices of the country's economic development, which comply with the medium-term program and the agreement concluded with the IMF, are as follows:

1. A real GDP increase of 7.4 percent

2. Inflation held at 15.8 percent

3. Budget deficit held at 8 percent.

The target of the government's economic program thus achieved the difficult tasks of coordinating public investment within a stabilized microeconomic climate. [sentence as published] Priority was given to investment in infrastructure—mainly the economic infrastructure, such as the energy sector, transportation and communications, the water supply, the irrigation system; and the social infrastructure including education and health. According to this government source, without investing in these sectors, one could not even think of attracting any private foreign investment. During 1994, investment was concentrated on these sectors, coordinating foreign investment with state funds.

Budget investment reached 144 percent of the budget initially proposed and 99 percent of the budget that was altered during the investment year. The extra funds were utilized in different sectors during the year, taken from state reserves and savings in operational costs. Apart from these, considerable funds were also utilized from various domestic sources, such as credits and the funds of various central and local institutions, as well as foreign investment sources.

Construction is the sector that witnessed the most rapid development and it plays an important role in the economy's development in general, where investment comes mainly from the private sector. In the 1994 budget investment program, priority was given to the development of infrastructure. The Ministry of Construction and Tourism financed 45 percent of this investment, but in view of the great needs in this sector, the 1994 investment target increased by 49 percent.

The main field in this sector was building and repairing aqueducts with an initial grant of 493 million leks, which was increased to 593 million leks, 32 percent of the ministry's annual investment budget. The investment target was met for aqueducts in both the towns and the countryside. In the towns 32 aqueducts were repaired, while in the countryside over 79 such projects were completed. Foreign financing in this sector amounted to 666 million leks.

Road infrastructure also played an important role with a total of 713 million leks, 22 percent of the total budget investment of this ministry. Parallel to improvements in the road network and the building of the first kilometers of the Tirana-Vore highway, priority was given to such projects as the "East-West Corridor," and the "North-South" road, the financing of which has already largely been secured.

From analyses of funds used in the housing sector, it turns out that a considerable part of the budget has been devoted to domestic housing. The sum of 1,100 million leks spent on this constitutes around 37 percent of the ministry's investment budget. In this sector, a World Bank credit of 850 million leks was used. However, the investment needs are much greater, but budget limitations do not permit more funds for this. Because of the importance of the health sector, 300 million leks was granted from the 1994 budget. Another 13 percent was added, ensuring investment of 340 million leks, as a result of the very poor state of the health services in this country. Considerable financing was secured from various foreign states and financing organizations, such as the EU, the World Bank, Germany, Switzerland, the

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WHO, and so on. The final 1994 budget investment plan in this sector was fulfilled 100 percent.

In 1994, 298 million leks was spent from the state budget to advance the agricultural reform. These funds were mainly used to revive water and irrigation systems, considered as agricultural infrastructure for state investment. Foreign funding in this sector amounted to 2,200 million leks, spread over investment projects in all the fields in this important economic sector. Foreign support for this sector will continue during the current year both in completing projects already started and financing new ones. Considerable investment funds were spent on the infrastructure of the ports, railroads, and roads—for example, the ports of Durres and Vlore, the Milot-Hani i Hotit railroad line, telecommunications, transportation, and so on.

In 1994, 21,183 million leks was spent on mining and energy resources, of which 787 million leks came from the state budget. Together with the 186-million-lek direct budget investment in the energy sector and the 100-million investment by the KESh [Albanian Energy Corporation] itself, we strove to obtain foreign investment to meet the needs of this sector for medium-term investment in the future.

Budget investment on education for 1994 played an important part, amounting to 534 million leks, but fell below the the sector's requirements.

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Rally for Democracy, Free Speech Taking Place

LD0903201095 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 9 Mar 95

[FBIS Translated Text] A rally for democracy and freedom of speech has started at the SNP square central square in Bratislava this evening. Culture Minister Ivan Hudec told TASR that the number of people taking part in today's meeting in Bratislava confirms that many people want to see on Slovak television what others did not.

Deputy Prime Minister Katarina Tothova said that if anyone questions democracy and freedom of speech, today's meeting is proof of Slovak democracy. According to Tothova, a display of social groups' interests is natural and should not been viewed as undermining the authority of government. Tothova told TASR that she personally believes this meeting was dedicated to something totally different from freedom of press.

These were the statements of the government officials. Let us now go to the rally itself and our reporter Katarina Belicka.

[Belicka] Shortly after 1700 local time, (Ladislav Suty), the administrator of the petition committee welcomed the participants at the rally on behalf of 117,286 signatories from all of Slovakia, who signed a petition calling for freedom of speech.

He thanked everyone who collected the signatures on the petition under difficult conditions. He said that people younger than 18 asked for special petition lists because they do not have the right to sign yet. He gave names of professional groups from all of Slovakia who took part and answered the question about why it had been possible to collect so many signatures [words indistinct] in such a short time. It was because, let me quote, we can see how the government coalition takes over the media. He said that the opposition is given no room; the government coalition wants us uninformed and incapable of action. This is what we want to prevent; that is why we came to this square, to talk about how to go about it, (Ladislav Suty) said.

He mentioned that they presented this demand to Jozef Darmo, the director general of Slovak television, who showed no interest in meeting them.

(Suty) talked about their main demands at the beginning of our interview.

[Begin recording] [(Suty)] Our demands are to reinstall freedom of speech and to bring back programs named in the petition with no political limitation or editorial supervision and under conditions similar to those of last year. We also demand to be received by Slovak Parliament Chairman Ivan Gasparovic, and we demand public debate on Slovak television about respecting freedom of speech in Slovakia, which would be attended by the representatives of the petition committee.

If we are still not heard, we will come back to this square. We will come and bring in more people to whom we will explain the situation, so there will be more of us.

[Belicka] What will you do if parliament ignores your demands?

[(Suty)] I think parliament should deal with this issue. It is its moral duty because parliament guarantees democracy and human rights, which includes freedom of speech. When more than 100,000 people sign a petition that freedom of speech has been breached, parliament has to deal with it. If it does not, then, as I have said, we will meet at this square again and there will be more of us.

[Belicka] You also mentioned that the news on Slovak television and radio is biased. How would you explain this view?

[(Suty)] Simply, the room given to opposition does not correspond to its place in Slovak politics. It is much smaller. Second, we see that information is being filtered so that it comes out more favorable for government. [end recording]

[Belicka] At about 1750, when I had to leave, there were some 10,000 people at the SNP square and the rally went on.

Embassy in U.S. To Make Protest Against Article

LD0903143095 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 9 Mar 95

[FBIS Translated Excerpt] The U.S. daily THE NEW YORK TIMES published an editorial on 7 March. It discusses the internal political situation in Slovakia. [passage omitted]

We have asked Jan Tuzinsky, director general of Slovak Radio, to comment on the allegations concerning Slovak Radio:

[Begin Tuzinsky recording] I am surprised that such a serious newspaper as THE NEW YORK TIMES prefers rumor to fact. The fact is that reporting in Slovak Radio has not been reduced; on the contrary, we lay greater stress on facts, and there has been no reduction in newscasts. The only thing we are thinking about—and this is a ridiculous matter—is what I said when I was introduced to office: that we would like to broadcast a radio play for young people. At the expense of this play, one and only one newscast—the "Afternoon with the Radio" [Popoludnie s rozhlasom]—has been shortened by 15 minutes. If this is considered a serious infringement on broadcasting, I think that is comical.

If there has been an upheaval over the recall of Mr. Susko, the Washington correspondent, I see nothing special about that. Mr. Susko was abroad for four years; he was losing contact with what was happening in Slovakia. It is quite natural in the majority of posts for which there have been similar appointments that the period of tenure be about three years. So it is a completely normal and legitimate step for the director of Slovak Radio to take. [passage omitted] [end recording]

Dusan Slobodnik, chairman of the Foreign Committee of the National Council of the Slovak Republic, told us about the steps the Slovak side will take:

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[Begin Slobodnik recording] First, one has to note that THE NEW YORK TIMES is an independent newspaper. One need not judge it as the official viewpoint of the U.S. Government. Despite this, I have received a report from our embassy in the United States, and our embassy will protest against THE NEW YORK TIMES editorial. [end recording] [passage omitted]

Ministry Official on Slovak-Hungarian Treaty

LD0903140495 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 9 Mar 95

[FBIS Translated Text] State Secretary Jozef Sestak of the Slovak Foreign Ministry has published a statement prior to another round of talks on the Slovak-Hungarian treaty.

As he notes, he is leaving for the talks with the determination to achieve progress in finalizing the text of the treaty. In this connection, he says that he is equipped with a sufficiently broad political mandate to propose, discuss, and agree to the bilaterally acceptable solutions of open questions.

At the same time, Sestak expresses the conviction that, as distinct from the last Bratislava meeting, this mandate will extend to his partner, State Secretary Ferenc Szomody.

Sestak goes on to confirm in his statement that the main problem in accepting the treaty is the minority problem. It is, however, not the only one. He does not agree with the view that this is so because Hungary and Slovakia are finding themselves in some kind of different phase of development. If the two countries manage to get to the current European phase of solving the protection of national minorities and base it on concrete stipulations and relevant, generally accepted international documents, they will agree, according to Sestak, on formulating minority problems and will anchor them in a treaty.

In his statement, Sestak points out at the same time that he is leaving for the talks with the idea of full responsibility for working out a good and balanced treaty. He will do everything for our side so that the text of the treaty is worked out by 31 March, that it is ready by the beginning of the Paris conference on the European Stability Pact.

Defense Minister: Army Situation Not 'Idyllic'

AU0903130395 Bratislava SLOVENSKA REPUBLIKA in Slovak 7 Mar 95 p 3

[Interview with Slovak Defense Minister Jan Sitek by Miroslav Sasky; place and date not given: "Cost-Cutting Measures in Investment Sphere"]

[FBIS Translated Text] It has been known for some time that the defense department is one of the "areas of interest" to the Slovak National Party [SNS]. However, the ministerial post was expected to be filled by Jan Slota [SNS chairman]. The fact that it was eventually given to Jan Sitek came as a surprise to many—particularly to opposition journalists and politicians, who had been quietly setting their heart on the SNS chairman. Defense Minister Sitek was not in the least surprised when we opened our interview with precisely this topic.

[Sasky] Mr. Sitek, when was the decision made that you would take on responsibility for the defense department, and what is your experience in this field?

[Slota] My nomination as minister was not approved by the SNS Central Council until the beginning of December, after it had become clear that we would be in the government and which departments we would get. It is true that, apart from my basic military service, I have not had any practical experience related to the Army's activity. However, I have taken an intensive interest in the goings-on in the Army, mainly through high-ranking officers who operated within UNPROFOR [UN Protection Force] and who held senior positions at the Ministry of Defense. I participated in drafting the security and military sections of the SNS manifesto. The post of defense minister allows me to put the ideas of our election manifesto into practice. We have also succeeded to a considerable extent in projecting these ideas into the Slovak Government policy statement.

[Sasky] What you have just said suggests that the situation in which you took over the defense department did not surprise you. But is the situation not even worse than you expected?

[Sitek] The present situation is not exactly idyllic. As a matter of fact, we are grappling with one problem after another. We are being visited by representatives of the Supreme Inspection Office, the Parliamentary Commission is investigating the pontoon affair, and there is a government inspection under way.... All this may be a consequence of the preceding government being a temporary one, but on no account would I want to cast aspersions on what was done in the defense department. I am carefully analyzing the situation in the Army and have realized the necessity to amend the law on the Army, particularly regarding coordination and links between the Army of the Slovak Republic [ASR] General Staff and the Ministry of Defense. As you know, a concept of building the ASR has been adopted, which is to be implemented in three stages. By 1997, the numbers of troops and equipment should be reduced to the level set in the Treaty on Conventional Armed Forces. The fulfillment of this is thus our primary objective. I have visited a number of garrisons and am taking an interest in the conditions in which ASR members actually live. To obtain a truly realistic picture, my visits are unofficial and are not announced in advance. I intend to continue applying this method in the future as well because only when no one knows about my visit beforehand do I learn about the actual situation.

[Sasky] Great attention is being devoted at present to the Gabcikovo issue. Under your predecessors, no agreement was reached on having soldiers guard this facility. Are you planning any changes?

[Sitek] The establishment of the home guard is planned, one of whose tasks should be precisely to secure the protection of this important project.

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[Sasky] What is the impact of the provisional budget on the defense department?

[Sitek] As is always the case with a provisional budget, no one received what he needed. We had to take measures for the ASR to be combat ready and to be able to achieve everything required of it. We had to resort to cost-cutting measures, particularly in the investment sphere. We are giving priority to the completion of projects that are in progress, so that they fulfill their purpose as soon as possible. I have ordered an inquiry into some areas where I had the impression that resources had not been used in the past as efficiently as they should have been.

Army Considering Leasing Weapons To Save Money

AU0903170495 Bratislava SME in Slovak 8 Mar 95 p 3

[CTK report: "The Army May Purchase by Means of Leasing"]

[FBIS Translated Text] Sliac—Given the strain in the Slovak Army's budget, nontraditional forms of purchasing new weapon systems and thus also of supporting their promotion abroad are being sought. In this context, the Defense Ministry is considering purchasing by means of leasing an unspecified number of the 155-mm howitzer Zuzana (compatible with NATO systems) from its producer, the ZTS [Heavy Machine Tool Enterprises] Dubnica state enterprise. Defense Ministry State Secretary Jozef Gajdos told CTK yesterday that this issue is the subject of intense negotiations because, if no trials of these weapon systems are carried out by the Army, the Slovak Republic will be unable to sell them abroad. According to him, given the shortage of funds, the solution is either leasing or lending defense systems to the Army. This would be followed, during the specific period of their use by the Army, by military trials and their sale. "I really do not see any other way because the Army has no funds," added Gajdos.

He confirmed that the Zuzana prototype has already been tested by the Slovak Army and that a half battery of four howitzers would be sufficient for military trials. The start of the howitzer's serial production in ZTS Dubnica will make the Zuzana's trials and introduction into the Slovak Army possible. There is now major interest in this weapon system in neighboring countries, and it will take part in a tender in India for the Indian Army, said Gajdos. He added that he is an optimist and believes that the Zuzana will be incorporated into the Slovak Army's ordnance this year.

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Ministry To Start 'Procedure' Against Leak

LD1003102195 Budapest Kossuth Radio Network in Hungarian 0600 GMT 10 Mar 95

[FBIS Translated Text] Andras Gyekicki, head of the Interior Ministry's office, has confirmed that a secret was breached in yesterday's issue of NEPSZABADSAG, which reported on an investigation carried out by an intergovernmental subcommittee into former privatization matters. Andras Gyekicki told the daily NEPSZAVA that an official procedure will be launched against both those who revealed the documents and those who published them.

Judit Csiha, political state secretary at the Ministry of Justice, said that the investigation is still under way. The leaked document only includes the results produced by December of 1994, and therefore cannot reflect the present evaluation of the situation, the MAGYAR NEMZET daily reports.

Opposition Supports Privatization Strategy

LD0903201995 Budapest Kossuth Radio Network in Hungarian 1800 GMT 9 Mar 95

[FBIS Translated Text] The opposition parties believe there has been a shift for the better in the government's privatization strategy. This has emerged from their statements after their representatives held discussions with Minister [without portfolio in charge of privatization] Tamas Suchman.

According to Ivan Szabo, head of the group of deputies of the Hungarian Democratic Forum, it is encouraging that the revenues from privatization will be used not only to increase the budget in the future. He also deems it important that it will be possible to sell assets on the basis of tenders only.

Lajos Kosa, deputy of the Federation of Young Democrats, approved of the fact that the government intends a larger monitoring role for parliament in the privatization process.

Otto Sandorffy, of the Independent Smallholders' Party, was pleased that several opposition proposals were included in the package plan to amend the privatization law.

Bela Csepe, acknowledging the positive change, said the Christian Democratic People's Party would like the law to be adopted as soon as possible, but he is unwilling to vote for a distorted piece of legislation.

Defense Ministry Spokesman on New Russian Weapons

AU0903170295 Budapest NEPSZAVA in Hungarian 9 Mar 95 pp 1, 3

[Report on interview with Defense Ministry spokesman Lajos Erdelyi by Attila Lenart; place and date of interview not given: "Further Russian Weapons Arrive"]

[FBIS Translated Text] The possibility of Russia's servicing part of its still outstanding debt to Hungary by supplying weapons emerged at the recent Horn-Yeltsin meeting in Moscow. The Hungarian Defense Ministry is counting primarily on artillery pieces and armored vehicles. Despite these new weapons, the combat value of the Hungarian Army would not increase considerably.

The combat value of the Hungarian Army would not improve to the extent one might think as a result of the further purchase of Russian weapons, Lajos Erdelyi told us. According to the Vienna treaty on limitation of conventional arms, the Hungarian Army still has too many of certain weapon systems, and these systems must be destroyed. The new weapons would replace the obsolete ones. Thus, the Army would improve only qualitatively, and the amount of weapons would not change. Therefore, it is unlikely that this supply of weapons could start an arms race in the region.

Lajos Erdelyi mentioned the MiG-29 combat aircraft that arrived in the autumn of 1993, equipment that we also received in exchange for the Russian debt of some $800 million.

Lajos Erdelyi told us that the new Russian weapons do not affect Hungary's NATO membership because there is no uniform weapons system within the alliance, nor a standardized artillery or armored personnel carrier. As an expert told us earlier: "A T-74 tank fires the same way as a U.S. tank."

So far, the issue of possible supply of weapons has only emerged at the prime ministerial and presidential level; concrete talks have not yet begun. Nor has a final decision yet been made yet. Thus, Lajos Erdelyi could not tell us exactly the value of this transaction or the time of arrival of these weapons.

It is possible that the value of this transaction will fall considerably below the $800 million value of the MiG-29 combat aircraft.

Defense Minister Views Army Expenses, Savings

AU0903140695 Budapest NEPSZAVA in Hungarian 8 Mar pp 1, 8

[Interview with Defense Minister Gyorgy Keleti by Irene Szabo; place and date not given: "In Savings, the Army Has Already Exceeded the Limits of Rationality"]

[FBIS Translated Text] [Szabo] How great is the Army's property, and how much has the army lost since 1990?

[Keleti] The net value of the Army's property was 767 billion forints at the end of December 1993, and this property has been constantly losing its value. In addition to the forint value, this material-technical background has an incalculable value too, because it serves the

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defense of this country. The society regards all this as useless, dead material. The real value of something is revealed when we want to sell or buy it. For example, we wanted to replace the mortars that caused accidents, but we found out that adequate ammunition costs several hundreds of millions of forints. The same applies to the missiles. However, if one of our barracks, worth 100 million forints, is for sale, we do not find buyers. So, it is almost impossible to answer this question.

[Szabo] It seems you have brilliantly replaced the 10 billion deficit. But the crisis has not passed. Can you expect coordination with the new finance minister?

[Keleti] It is an exaggeration to say that we have done this brilliantly. It is a fact, however, that Gyula Horn, Laszlo Bekesi, General Karoly Janza, and I discussed this issue together when we realized the considerable deficit, shortly after the new government took office. This meeting had several important results. For example, we will no longer have to place half of what the Army gets from various sales into the state coffers. We also agreed at this meeting that the Defense Ministry would get 2.4 billion forints as an advance budget, and this sum will be returned through deductions from the monthly state budget payments to the Defense Ministry. It is true that we have invited Lajos Bokros to pay us a visit, and now we are coordinating the timing of this visit. We are not demanding things. We want to show him that the sum allocated for peacetime military expenses does not cover the special expenses.

[Szabo] You mean expenses like the fireworks on 20 August?

[Keleti] That too, as well as the expenses of our special units deployed when the nuclear waste material was transported from Paks across the border. Our budget does not contain funds for any unexpected tasks. Separate funds are given for unplanned occurrences everywhere in the world. If, for example, we had to increase the patroling of our southern airspace, we could only do so to the detriment of something else. This in itself would appear as an impossible task today. We could use the reserves of fuel, spare parts, and clothing in the last four years. We found out that these reserves represented 70 billion forints. We have nothing to take from today, and replenishing the reserves has today become urgent.

[Szabo] They say that you will also solve the other problems, if you managed to solve the 10 billion forint deficit.

[Keleti] They can say that, but the Army has exceeded the limits of rationality in saving. The 2.4-billion-forint advance in January was used to pay the milk suppliers, and meat factories, and the bakers who refused to supply the units. It is true, however, that no firm went bankrupt because of us. Paying the average vacation period salaries to our officers and warrant officers cost us 3 billion forints. I can also list our saving methods. We abandoned military exercises above company level. We did not call up the planned reserves in the second half of the year. We scrapped the air-defense missile exercises and the air combat exercises. This cannot be learned on simulators. We also introduced strict energy and water conservation. For example, we banned the use of electric water heaters. Our income obligation for this year is 10 billion forints, while the Army does not get any compensation for the increased energy prices and for increased payments to our regular soldiers. We say that we will solve this too. However, we are warning the government not to carry out further restrictions.

[Szabo] What is your opinion of the analysis published in THE WASHINGTON POST according to which the former Warsaw Pact armies built on the offensive doctrine have been unable to shift to the defense doctrine? Does this mean that our generals are unsuitable for the new tasks?

[Keleti] I would start by saying that, in my opinion, we can continue the Hungarian military tradition according to which, in peacetime, 50 percent of the Army general positions can be filled. The staff of 74 generals cannot be regarded as particularly big. Suitability is another matter. It is misleading to try to decide suitability according to the military academy a given general attended. I admit that their professional training was based on Soviet military technology, and our military technology is also Soviet. We can also ask the question of how our generals could change the doctrine principles. In my opinion, the problems do not lie here. Rather, they lie in the fact that our top generals are 54-55 years old, and if the bill on the soldiers' legal status determines an age limit of 60, this stops any advancement. If this law is adopted, I think the defense minister must be given the opportunity to carry out the generation change. I am convinced that a generation change among the generals can be carried out in a short time, thus providing an opportunity for young officers who learned in the West and who speak several foreign languages to make good use of their professional knowledge at the top.

[Szabo] The defense statements in the trial of the oil scandal began yesterday. In the meantime, it transpired that the soldiers' issue in this affair is only a drop in the ocean. What is your opinion on this?

[Keleti] I do not want to express an opinion about this issue in the current phase of the affair. It is certain, however, that the Army cannot operate firms and economic units that allow corruption and abuses.

[Szabo] Does the quarrel between the two coalition parties affect the Defense Ministry?

[Keleti] I can clearly say that it does not affect us. Despite our arguments, we have an understanding with the chairman of the Defense Committee, who is a member of the Alliance of Free Democrats [SZDSZ]. The SZDSZ ministers within the government have never attacked us.

[Szabo] When you were appointed, did you know what awaited you?

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[Keleti] No. But nor did the other ministers or the government itself. This is why very little time has been left so far for changes, because of the problems of crisis management. I can say that in eight months, we succeeded in managing the crisis and in moving the NATO issue in the right direction. Besides, the problem with our region is that countries in the region have not yet trained their own serious security politicians. We are criticized for employing few civilians in the ministry. There will be more civilians. But for that, we need trained professionals. We suggested that military academies and civilian universities start security policy training. Those who are known and relatively trained in these issues today are parliamentary deputies. This problem will be solved after three or four electoral cycles.

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Close Eye on Events at Polish Church in Moscow

LD0903155095 Warsaw Radio Warszawa Network in Polish 1500 GMT 9 Mar 95

[FBIS Translated Text] Prime Minister Jozef Oleksy has given assurances that the Polish Government is closely following events in Moscow, where the Russian militia beat up parishioners and priests of a Polish [Roman Catholic] church yesterday. We shall calmly seek a clarification of the entire matter, Prime Minister Oleksy said. The issue is complex because it concerns a building to which Poland has laid claim for a long time. On the other hand, force was used, Jozef Oleksy stressed.

Oleksy also said that a candidate had already been selected for the post of Poland's ambassador to the Vatican. Diplomatic consultations on this matter are in progress.

Walesa Declares Support for Interior Minister

LD1003121695 Warsaw PAP in Polish 0903 GMT 10 Mar 95

[FBIS Translated Text] Warsaw, 10 Mar—Polish President Lech Walesa has met with Minister of Internal Affairs Andrzej Milczanowski, who presented draft organizational changes in the ministry.

The president's press office said today that the president declared full support for Minister Milczanowski's work.

Daily Says New Cabinet Lacks Credibility

WS0903152395 Warsaw ZYCIE WARSZAWY in Polish 9 Mar 95 p 1

[Commentary by Pawel Szwed: "Wasted Words"]

[FBIS Translated Text] The education minister runs his own school.

The prosecutor's office is considering filing charges against a member of the government anticrime committee. It cannot do so because the head of the Main Customs Office is protected by parliamentary privilege.

The health minister has not yet explained his connections with companies from which he purchased medical equipment.

A shadow of suspicion has been cast on a close associate of Deputy Prime Minister Kolodko.

The new head of the Office of the Council of Ministers, while still minister of finance, made a public announcement that he takes full responsibility for the privatization of Bank Slaski. Right now, four former high-ranking state officials have been charged in connection with this case.

The issue of the Polish United Workers Party [PZPR] "Moscow money," in which the current minister of labor played an important role, still remains to be explained.

All of these facts are worth putting together to remind us that three days ago Jozef Oleksy announced that he would ensure the credibility and ethical purity of his ministers. Once we learned that the minister of education runs his own school, the prime minister's declarations seem less convincing. Of course, it is difficult to lay the blame on Jozef Oleksy for someone who taught Marxist-Leninist theory now heading the school system in Poland. After all, the prime minister himself, back when he was a member of the Central Committee of the PZPR, was in charge of "ideology and education" in that party.

Pawlak hardly ever spoke. This does not mean, however, that it is enough to say anything at all to gain credibility.

Walesa on EU, NATO, Threat From Russia

BR1003074395 Oslo AFTENPOSTEN in Norwegian 8 Mar 95 p 9

[Interview with Polish President Lech Walesa by Halvor Hegtun in Warsaw; date not given: "Self-Assured Walesa Places Trust in Popular Support"]

[FBIS Translated Excerpt] Warsaw: On 14 March, Lech Walesa is coming to Oslo to express his thanks for the Nobel peace prize, 11 and a half years too late. He is looking forward to his Norwegian trip and was in a very good mood when AFTENPOSTEN met him at Warsaw's Namiestnikowski Palace. Weeks and months of bitter political fighting had left no visible traces. [passage omitted]

[Hegtun] The opinion polls are saying that you have hardly any chance of winning the presidential election in the fall. Is it not better to withdraw rather than risk a humiliating defeat?

[Walesa] This is wrong thinking. It is a long time to the presidential election. I do not doubt for one second that I will win, if I decide to run. The people know me. I am the only one who has stuck to his principles throughout and has never shifted his attitude. Moreover, the country is so used to me that it is very difficult to imagine people getting rid of me.

The president laughs loud and heartily. [passage omitted]

[Hegtun] How many years will it take before Poland is a member of the EU or NATO? [Hegtun ends]

Walesa takes a long detour in replying.

[Walesa] The West believes that it is to Poland's advantage to be a NATO member. But we see it the other way round: NATO will benefit from Poland. West Europe is not ready to defend Poland. But for West Europe, Poland would be very useful as an outpost in the east.

[Hegtun] Are you afraid of Russia?

"I am convinced that Russia will never want to take back Poland. They got nothing out of it last time," he said

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with dry understatement. "There are probably other countries that are more tempting."

[Hegtun] Do you think, for example, that Belarus and the Baltic states have reason to feel threatened?

[Walesa] No, there is no threat. But we have a shared challenge to build peace. We must limit the zone of uncertainty and unclarified power structures. Each security zone must have its owner. I also agree with those in the West who say that one must make Russia into a kind and good-natured bear. But a bear must be tamed in a cage. It must not be allowed to roam free.

[Hegtun] Will Russia be a member of the EU or NATO in the year 2000?

[Walesa] There are two schools of thought here. The one school is waving flags and singing songs before the goal has been reached. The other school is coming to grips with the practical questions and is putting off the celebrations until later. [passage omitted]

Bank Experts Say Drop in Dollar No Threat

WS0903135295 Warsaw RZECZPOSPOLITA in Polish 9 Mar 95 pp 1, 9

[Article by Anna Slojewska: "Consequences of Dollar Exchange Rate Decline; Wise Exporter After the Event"]

[FBIS Translated Excerpt] The decline in the dollar exchange rate around the world has not urged people to withdraw en masse their U.S. dollar accounts in Polish banks and to convert their money into German marks, the value of which has been increasing recently. According to currency experts, customers are not guided by short-term changes in the market, even if the changes are quite dramatic and oriented in one direction. As a result of the currency crisis, however, exporters may become more interested in fixed-term transactions [transakcje terminowe]

Nonetheless, before a customer fully analyzes the situation and goes to the cash-desk at a bank, the situation may have changed dramatically, dealers say. It is a fact, however, that for some time banks have been lowering the percentage rate on foreign-currency deposits, and, in 1994, holding money in U.S. dollars was far less profitable than depositing money in zloty accounts. Thus, the decreasing interest in the U.S. dollar may be of a more fundamental nature; the current decline in the value of U.S. currency may strengthen this trend. According to Przemyslaw Ciszecki, deputy director of the Financial Economy Department of the Powszechna Kasa Oszczednosci Bank Panstwowy [PKO BP], 10 days ago customers were observed withdrawing their cash deposits, but now their value has returned to the previous level. Wlodzimierz Ostak, chief dealer at Polska Kasa Opieki Spolka Akcyjna [PKO SA], told us that in his bank a slight decrease in the interest rate on U.S. dollar deposits can be seen and that dealers are prepared for the possibility of adjusting the structure of assets.

What is the effect of the decrease in the value of the U.S. dollar on the situation in Polish banks?

"If assets are held in U.S. dollars, there have certainly been some losses. The position of Bank Handlowy is quite balanced," believes Grzegorz Bialek, deputy director of the Financial Economy Department of this bank. "The structure of the transactions cleared by our bank corresponds more or less to the structure of the currency basket; Approximately 50 percent are invoiced in U.S. dollars, the rest in other currencies, mostly German marks. Thus, the consequences of this crisis are not serious for the bank," says Grzegorz Bialek.

In addition, the situation is balanced by recently increasing imports, which have been triggered by earlier decisions to lower the devaluation rate, as well as by the current currency crisis. However, the present situation has certainly forced the bank to not keep redundant U.S. dollars. Its coffers contain as much U.S. currency as is needed to clear ongoing transactions; it is selling all surpluses. The time when banks kept as much money in U.S. dollars as possible is over. According to Wlodzimierz Osak of PKO SA, for a long time now the bank has been reacting to the increase in the efficiency of zloty deposits and has been creating short currency positions—that is, shifting money from foreign-currency deposits to zloty deposits; as a result of this, it is not incurring great losses right now.

Banks could not have incurred considerable losses in the currency crisis because the possibilities of incompatibility of assets to liabilities, in currency terms, are limited. According to an ordinance issued by the president of the National Bank of Poland, which is to limit speculation, the permissible margins of deviation of currency positions for one currency are 15 percent of a bank's own gross funds.

"The currency crisis will not affect the results of the PKO BP," believes Przemyslaw Ciszecki. "Of course, the balance sum, in terms of zlotys, will decrease, because most (70 percent) of the bank's foreign-currency deposits are U.S. dollar deposits. Generally, however, foreign currencies do not greatly influence the bank's balance sheet. The bank has not taken the risk, and its foreign-currency positions were balanced, as a result of which it will make neither a profit nor a loss in the world currency crisis. [no closing quotation mark as published] The PKO BP clears foreign trade transactions, and, according to Ciszecki, their value has not changed recently. Hoever, he notes trends in private exchange houses. The turnover in German marks has not changed; the purchase of U.S. dollars is maintained on the same level, but their sales have dropped. Thus, people are not selling their dollars, nor have they come to the conclusion that the U.S. dollar has already reached the bottom and that now its value can only rise. [passage omitted]

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Oleksy Allows Import of Duty-Free Grain

LD0903141795 Warsaw TVP First Program Network in Polish 1100 GMT 9 Mar 95

[Relayed by Warsaw TV Polonia Network]

[FBIS Translated Text] Prime Minister Jozef Oleksy has told "Wiadomosci" that he has already signed an instruction allowing the duty-free import of 1 million tonnes of grain. The import of such an amount of grain will, according to the government, curb the fast rising inflation, which has exceeded 6 percent during the first two months of this year.

[Begin Oleksy recording] This is a very needed measure—although much delayed—because of the fluctuation of prices in this area. This action has been delayed by the Agricultural Market Agency and by the prime minister, who did not make a decision on this matter. I rectified this yesterday. I do not know what the effect will be, but it is something very needed. [end recording]

Illegal Traffic Intensifies on East Border

WS1003094495 Warsaw GAZETA WYBORCZA in Polish 9 Mar 95 p 2

[Article by Jerzy Jachowicz: "Border Guards Are Becoming More of a Police Force: Danger in the East"]

[FBIS Translated Text] *The Border Guards [SG] are carrying out deep operational and reconnaissance missions in the underworld. More often than before they know of the perpetrators' schemes in advance and wait in ambush, boasted the heads of the SG to journalists yesterday.*

International gangs run illegal immigration operations, particularly along the eastern border. They use modern telecommunication systems and have guarded transfer channels.

Apartheid at the Border Crossings

The heads of the SG protested against a decision issued by German authorities to establish special crossings for citizens of EU states and separate crossings for the rest on the Polish-German border. Control would be more liberal at EU crossing points.

"This would be a division between Poland and the rest of the world," said SG Commanding Officer Jan Wojcieszczuk.

Last week in Koblenz, the heads of the SG tried to convince the Germans that this is a bad idea. The Polish Ministry of Foreign Affairs also disapproves of the concept.

Night-Vision Devices and Gates

"The crime wave starts at one border, sweeps through Warsaw, Poznan, or Lodz, and often comes to a halt on the opposite side," said Lieutenant Colonel Wojcieszczuk.

The majority of SG equipment and forces were allocated to the eastern border. More than 6,500 Motorola cellular telephones are in constant use there. Officers guarding our borders with Lithuania, Belarus, and Ukraine use three-fourths of the total 540 night-vision devices.

Funds obtained from Germany within the framework of an agreement on the readmission of refugees allowed us to purchase nearly 1,000 new cars, the majority of which are also used along the eastern borders.

So-called radiometric gates for the detection of smuggled fissionable materials have been installed at most border crossings in the east. This caused the smuggling routes to change. Wojcieszczuk announced that soon these new routes will be blocked as well.

In 1994, four new watchtowers were erected in the east, and five new ones are expected this year. Nearly 80 percent of investment funds are allocated to the eastern border.

Low Flights

SG services for the fight against Mafia car-smuggling rings have resulted in the recovery of 2,200 cars in 1994, 50 percent more than in 1993.

Illegal plane flights have recently intensified along the border with Lithuania. Three flights were recorded in 1993, 17 in 1994, and by the middle of this year [as published], already 12. Primarily, people and goods are carried by planes flying at altitudes of less than 400 meters.

According to SG Deputy Commander Colonel Wojciech Brochwicz, the SG has no way of counteracting these incidents. It has neither radars, other types of special equipment, nor legal competence in this regard.

According to Wojcieszczuk, the Ministry of National Defense should be responsible for the fight against this "new plague." Still, the Army refuses to cooperate.

A Smaller Wave

According to SG data, illegal immigration has recently subsided. In 1994, more than 14,000 people were detained, while there were 4,000 more people detained a year earlier. Wojcieszczuk claims that this is not only the SG's success. In 1994, more than 15,000 people were detained along the Polish-German border, in 1994 [as published] 10,000. This was due to the fact that the Germans introduced more stringent refugee regulations.

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Delic Says Army Ready for 'Lengthy War'

AU0903132495 Zagreb VECERNJI LIST in Serbo-Croatian 8 Mar 95 p 7

[Interview with General Rasim Delic, chief of the General Staff of the Bosnia-Herzegovina Army, by A. Kaurin in Zagreb on 7 March: "Joint Military Command—Argument for Peaceful Solution"]

[FBIS Translated Text] On Monday [6 March] the Croatian Army and the forces of the Bosnia-Herzegovina Federation—the Croatian Defense Council [HVO] and the Bosnia-Herzegovina Army—formed a joint military command. Yesterday we spoke to General Rasim Delic, commander of the Bosnia-Herzegovina Army. We asked him what he expected from the joint military command.

[Delic] Yesterday we discussed possible cooperation in combat operations among the Croatian Army, the Bosnia-Herzegovina Army, and the HVO in the event that the aggression against Bosnia-Herzegovina continues or the situation in Croatia becomes complicated. The forces would for the first time act together in the Republic of Croatia and the Republic of Bosnia-Herzegovina, that is the Bosnia-Herzegovina Federation, which would contribute to their strength and the effectiveness of operations. In this context, we discussed the possibility of forming a joint body to be called the Joint General Staff. Its task would be to coordinate military activities, cooperation, and other issues connected with joint combat operations. It would not be authorized to command the forces, since that would remain within the authority of the commanders.

Defense of Croatia and Bosnia-Herzegovina

We agreed in principle to act together in the event that the fighting continues. The Bosnia-Herzegovina Presidency will have to make the political decision to that effect as the army, like all other armies in the world, has to act on political decisions. This is a great step toward taking a military and political stand against the Serbian aggressor and forcing him to reintegrate peacefully, if at all possible. Bosnia-Herzegovina and Croatia have been showing that they favor a peaceful solution and they have accepted all the proposals put forward by the international community. However, the Serbian aggressor has not refrained even from using fascistic methods.

Based on the friendship agreement of 1992 and all the agreements on the Federation, both the Washington and the Vienna ones, it is natural that this next step forward should have been made, particularly after the joint operations by the Bosnia-Herzegovina Army and the HVO over the last few months in Bosnia-Herzegovina. The Serbian aggressor has to realize that it is facing a force that can resist it, a force—although I do not want to prejudge anything—that is certainly stronger that the Serbian aggressor. This is another element in our military pressure aimed at giving the state leadership more arguments in its dealings with the international community to find a peaceful solution.

[Kaurin] If the Serbian aggressor attacks the Republic of Croatia, will the Bosnia-Herzegovina Army come to Croatia's aid?

[Delic] This is what we have been discussing. The issue here is to organize a system in which everyone would be playing his part for the defense of both countries. The situation would have been much better if we had come to this agreement earlier. However, that time is behind us and I think that the unnatural war that took place in some parts of Bosnia-Herzegovina is over and should be forgotten. We have been successful in this on the ground. Since the agreement on the cessation of hostilities was signed on 3 February 1994, the cease-fire has not been violated once.

Federation on the Ground

[Kaurin] According to available information, the Bosnia-Herzegovina Federation has best functioned so far in the cooperation between the HVO and the Bosnia-Herzegovina Army.

[Delic] When it comes to soldiers, we are practical people who solve the issues on the ground. We want to stretch the enemy, to deploy joint forces, and that is why it is so much easier for us to reach an agreement. Still, political agreements follow on behind. Every day the mutual trust and coordination gets better and stronger. My staff and that of General Blaskic have been cooperating on all the relevant issues. I can tell you that we have been solving problems very quickly and efficiently, even those not directly connected with the Army.

[Kaurin] Brigades make up the basic tactical units of the Bosnia-Herzegovina Army. How many of them are there and what are their duties?

[Delic] The Bosnia-Herzegovina Army has motorized brigades, hill brigades, and light brigades. They can act as so-called static front line brigades, tasked with defending certain territories. There are also maneuvering brigades, whose task is not only to act offensively but also to close off an area in the event of the aggressor's attempt to break through. The number of brigades in a corps varies from a few to 20-plus.

[Kaurin] You have taken advantage of the four-month cease-fire to train and educate your officer corps. The military academy in Zenica is in operation. Will the Bosnia-Herzegovina Army be getting a rapid reaction unit [mobilna jedenica]?

[Delic] Of course, and not only one but several. At the moment we have rapid reaction units ready for very rapid operations. We have also done a lot to provide good living conditions for all the Bosnia-Herzegovina Army units in their barracks.

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Weapons and Morale

[Kaurin] How many soldiers under arms does the Bosnia-Herzegovina Army have? What types of weapons? There is talk of Orkan multiple rocket launchers.

[Delic] We have still not provided all our soldiers with small arms [osobno oruzje]. However the percentage with them is much higher than it was in 1993 and 1994. We have strengthened our arsenal of heavy weapons, particularly the basic heavier weapons. We have all sorts of mortars and middle-range artillery. As for long-range artillery, tanks, and aircraft, the arms embargo has taken its toll. This is the biggest problem when it comes to creating a balance with the Serbian aggressor, who, even as we speak, is getting tanks, helicopters, and aircraft from his friends.

However, we are making up for this with the organization of our Army, as happens with every liberation army, and with the morale and patriotism that comes from defending one's own country.

The international community is not neutral. It has sided with the aggressor, enabling him to have the weapons and get more besides, while on the other hand denying the legitimate right to self-defense to a recognized state.

[Kaurin] It seems that you are relying exclusively on your own strength. Do you think it possible that the United States will lift the arms embargo against Bosnia-Herzegovina unilaterally?

[Delic] There was a time when we expected military intervention, NATO intervention, and nothing came of that. It is very hard to believe that the arms embargo will be lifted.

As for a unilateral lifting of the arms embargo as proposed by the United States, these concern the political interests of the Democrats and the Republicans. But when it comes to the final decision, the U.S. President has the right of veto. The process of coming to such a decision is very complex and we should not rely on such a decision being made. We should put our trust in God and keep our powder dry. We have shown that this is possible. Finally, if the aggressor has the weapons, we should take them off him.

Belgrade Decides and Pays

[Kaurin] What kinds of weapons does the Serbian aggressor have?

[Delic] The ban on weapons crossing the Drina has never been implemented. The international community has shut its eyes in the face of this fact. I do not think that weapons are a problem for the aggressor, since he has always been superior in arms. It is the problem with manpower that plagues him. He has not achieved his goals either in Croatia or in Bosnia-Herzegovina, nor will he. Time is working for us. Besides, the Serbian aggressor has suffered very great losses: Between three and five Serbian soldiers have been killed to every one in the Bosnia-Herzegovina Army.

[Kaurin] How would you comment on the military alliance between the Serbs from the temporarily occupied areas of Croatia and Karadzic's Serbs?

[Delic] It has only been proclaimed formally. The alliance itself has existed from the outset. Everyone knows where the command center is. It is in Belgrade. Neither side can make a decision without the General Staff of so-called Yugoslavia. The decisions and plans of attack are all made in Belgrade. After all, their officers are on Belgrade's payroll.

Struggle for Just Peace

[Kaurin] To what extent is the Bosnia-Herzegovina Army multiethnic?

[Delic] The Bosnia-Herzegovina Army is multiethnic and I hope that it will remain so despite certain pressures. In the ranks of the Bosnia-Herzegovina Army we have Croatian and Serbian generals. We have members of both ethnic groups as brigadiers. However, in terms of percentages, we have more Croats than Serbs. A fair number of Albanians who lived in Bosnia-Herzegovina are also in the ranks of the Bosnia-Herzegovina Army. By the end of 1993, over 100 Albanians had given their lives to the defense of Bosnia-Herzegovina.

[Kaurin] The cease-fire in Bosnia-Herzegovina is not being observed. What now?

[Delic] I would like a just peace to be established as soon as possible. Unfortunately, all the proposals put forward by the international community have been accepted by the Bosnia-Herzegovina legal state bodies, but not by the Serbian aggressor. They will not accept this latest plan, either. The international community has no strength—or does not want to, does not have the mechanisms to, or does not want to create the mechanisms—to force the Serbian aggressor into accepting a just peace plan. Of course, we can always fight for justice and a just peace in Bosnia-Herzegovina.

We will not allow the Lebanonization of Bosnia-Herzegovina, and we will not allow a Cyprus-type situation to be created, for the situation on the ground to be turned into a political fact. That is why we are legitimately defending ourselves on every inch of Bosnia-Herzegovina soil. It is to be expected that the fighting will resume after this cease-fire. As the commander of the Bosnia-Herzegovina Army, I have so far signed 18 cease-fires, and not one of them has been observed. Only an agreement and plan accompanied by a political solution has a chance of holding in Bosnia-Herzegovina.

[Box, p 7]

Military Industry

[Kaurin] About 42 percent of the former Yugoslavia's military production facilities were located in Bosnia-Herzegovina. What is happening to the arms industry in Bosnia-Herzegovina today?

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[Delic] The key special purpose production facilities of the former Yugoslavia are now in the hands of the Bosnia-Herzegovina Army. The HVO has under its control the only factory for the production of all kinds of explosives and gunpowder, the one in Vitez. It is a complete system of special purpose production. The capacities have been preserved and experts have remained on the free territory. Production is functioning, but it should be linked up to our mutual advantage.

[Box, p 7]

Brcko—Key to Bosnia

[Kaurin] Serbian leaders have been saying that the key to the solution is in Doboj and Brcko. Whoever holds these two towns holds Bosnia-Herzegovina.

[Delic] Brcko is the key. If the Bosnia-Herzegovina Army and the HVO were to cut and hold the corridor, that would mark the death blow to the so-called republic of Serbian Krajina and the so-called Srpska republic. However, this is a major operation and it should not be started without first completing all the preparations. If the operation were launched, it would bring into question the entire project of Greater Serbia, and the Army of the so-called Yugoslavia would enter the war with everything that it has. One should not rush. Time is on our side. We are ready for a lengthy war.

SDA: Sarajevo To Retain 'Full Control' of Army

AU1003080595 Paris AFP in English 2205 GMT 9 Mar 95

[FBIS Transcribed Text] Sarajevo, March 9 (AFP)—The Bosnian Government retains full control over its Army, a leading politician said here Thursday [9 March], after Zagreb had announced the setting up of a joint Bosnia-Croatia military command.

"The Bosnian Army is sovereign, founded in war, and represents a guarantee for the survival of the state," Edhem Bicakcic, vice-president of the ruling Party of Democratic Action (SDA) said here.

"As such it will remain under the command of those political authorities who fought for Bosnia's sovereignty," the OSLOBODJENJE news agency reported him as saying. Bicakcic welcomed Monday's announcement in Zagreb of the setting up of a joint military staff to coordinate defence efforts between Croatia and Bosnia, but denied that the Bosnian Army would fight for Croatian interests.

On Wednesday, the Bosnian Presidency said both countries intended to coordinate defence efforts, but denied that joint headquarters had already been set up under the command of a Croatian general. A joint staff "will not have a command function," Bosnian Army commander General Rasim Delic has said for his part.

Silajdzic Details Tasks for Federation Arbiter

AU0903164595 Sarajevo VECERNJE NOVINE in Serbo-Croatian 6 Mar 95 p 2

[Interview with Bosnia-Herzegovina Prime Minister Haris Silajdzic by M. Micovska; place and date not given: "Return of Refugees Most Important Issue"]

[FBIS Translated Text] One of the points of the Munich Agreement on the implementation of the Federation has been realized. The Bosniak-Croatian state has got its arbiter, a mediator in political disputes and problems. As is already known, the man is Robert Owen, an experienced and eminent U.S. lawyer.

Bosnia-Herzegovina Federation and Republic Prime Minister Haris Silajdzic told VECERNJE NOVINE:

[Silajdzic] As you know, the Federation got an arbiter at our request. President Zubak and I even asked in writing for an arbiter to be appointed, and he has been. Both sides will accept the judgment of the arbiter and will respect his decisions and views.

[Micovska] What do you think, personally, about Mr. Robert Owen, who has been appointed as arbiter in view of his experience in handling international disputes?

[Silajdzic] I can only say that I know Mr. Owen as a reputed expert, and I expect that he will work in accordance with his experience and knowledge.

[Micovska] What are the issues that Robert Owen will try to solve?

[Silajdzic] First and foremost comes the return of the people to their homes. The question has arisen of why people are not returning to their homes in places where the conditions for that are right. This issue should be solved with the help of Mr. Owen.

Apart from this, Owen will participate in the realization of all the Bosniak-Croatian agreements, starting with the Washington one, that is from the municipal to the federal level. The arbiter should also solve the question of communications, the financial system, and electricity network.

Commentary Views Serb-Russian Military Accord

AU0903144295 Sarajevo OSLOBODJENJE (Bosnian) in Serbo-Croatian 1 Mar 95 p 1

[Commentary by Mirko Sagolj: "Milosevic's Back"]

[FBIS Translated Text] Slobodan Milosevic wishes to cover his back in expectation of further complications once the cease-fire in Bosnia-Herzegovina expires and the UN forces leave Croatia. As things stand now, all sides are openly preparing to continue the war, because none of them believes in the possibility of establishing a more permanent peace. This, in turn, means that there is a realistic chance that the self-proclaimed Yugoslavia might become involved in the war to a greater extent

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than previously. Since it has been under a blockade for quite some time and since its military and material reserves are quite exhausted, the rump Yugoslavia is looking for a way out in a safe place—Moscow.

Its Defense Minister Pavle Bulatovic, accompanied by the notorious General Momcilo Perisic, signed with his Russian colleague Pavel Grachev an agreement on military cooperation between the unrecognized Yugoslavia and Russia. Details of the agreement, which is to come into force once the sanctions on Yugoslavia are lifted, are not known, but it is clear what this type of agreement means: military cooperation.

That this is not an insignificant political event is confirmed by the fact that Bulatovic also met with Russian Foreign Minister Andrey Kozyrev, who even said that the UN Security Council and the Contact Group "owed Yugoslavia." He believes that sanctions should be lifted entirely, and—Kozyrev nonchalantly claims—if they are not, Russia will do so unilaterally.

This move has definitely made Moscow the leading factor, at least in this phase of solving the crisis in the region of the former Yugoslavia. Russia has simply leapt head first into the vacuum created by the confusion, indecision, and lack of ideas of its West partners and is now making move after move, and is in this way also diverting attention from the Chechen tragedy.

In a very short space of time, Russia has recognized Bosnia-Herzegovina, proposed a new peace plan for a comprehensive solution to the crisis in the former Yugoslavia, and signed a military agreement with the self-proclaimed Yugoslavia.

Time will tell what the final consequences of Moscow's latest move will be, but it is possible that it is directly connected to the peace plan proposed to Milosevic. This requires Milosevic to recognize Bosnia-Herzegovina and Croatia within their existing borders and, in return, offers him several concessions and guarantees. One of them is without doubt this military agreement, which should be a guarantee to Milosevic that nothing bad will happen even if he recognizes his two western neighbors, and might in this way prompt him to take the decisive step toward crushing Karadzic's and Martic's resistance.

Ljubijankic Confers With Velayati, Papoulias

AU0903193395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 9 Mar 95

[FBIS Translated Text] Trilateral talks between foreign ministers of the Republic of Bosnia-Herzegovina, Irfan Ljubijankic, the Islamic Republic of Iran, 'Ali Akbar Velayati, and the host Karolos Papoulias, foreign minister of Greece, were held in Athens yesterday.

They discussed all aspects of the crisis in Bosnia-Herzegovina and concluded that the most valuable step at present would be the mutual recognition of all the republics that used to make up the Socialist Federal Republic of Yugoslavia. The ministers agreed that the greatest responsibility rested with Serbian President Slobodan Milosevic. They also discussed possible further actions toward Serbia, which is expected to recognize the republics of the former Yugoslavia.

Serbs Plan 'Decisive Response' to Aggression

LD0903144895 Belgrade SRNA in Serbo-Croatian 1312 GMT 9 Mar 95

[Item received by fax]

[FBIS Translated Text] Sarajevo, 9 Mar (SRNA)—Srpska republic Prime Minister Dusan Kozic described the setting up of a joint command for the Croatian-Muslim army as a clear sign that the anti-Serb coalition is preparing for joint aggression against the Srpska republic and the republic of Serb Krajina [RSK].

At the beginning of the 17th session of the Srpska republic government held in Pale today, Prime Minister Kozic said that, in the event of aggression, the Croatian-Muslim coalition would encounter, as he put it, "an adequate, fierce, and decisive response from the Serbs."

"We are warning both the Croatian and Muslim leaderships in Zagreb, Grude, and Sarajevo that this will be the final blow against the Serb people. The attackers will never recover from this because we will use all available means this time," Srpska republic Prime Minister Kozic stressed.

Serbs Ready for Further Talks With Mediators

LD0903155295 Belgrade BETA News Agency in Serbo-Croatian 1401 GMT 9 Mar 95

[FBIS Translated Excerpt] Jagodina, 9 Feb (BETA)—Biljana Plavsic, vice president of the Srpska republic, stated today that the Bosnian Serb leadership was prepared "to receive representatives of the international community in Pale" and immediately continue talks on ways of resolving the crisis.

She told Radio Jagodina that the international community is only "wasting time" in indirect talks on ways of resolving the crisis in Bosnia-Herzegovina.

"We expect representatives of the Contact Group or other international factors to understand that it is only possible to reach a solution through direct negotiations with those who have the authority to do this," Plavsic said. [passage omitted]

Brdjanin Alleges 'Abuses' in RS Assembly

AU0903213495 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 9 Mar 95

[Telephone interview with Radoslav Brdjanin, former Bosnian Serb construction minister, by unidentified correspondent; date not given—recorded]

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[FBIS Translated Excerpt] [Announcer] A few days ago, Radoslav Brdjanin tendered his resignation as a member of the government of the Srpska republic [RS], explaining this as an act of protest against major abuses and affairs that the RS top leadership knows about, but is doing nothing about. We have called Radoslav Brdjanin on the phone and asked him what kind of abuses are involved and why he thinks, as he said himself, that the practice of closed sessions of the RS assembly should be stopped because the general public is being presented with rigged information. This is what Radoslav Brdjanin told us:

[Brdjanin] Regarding the rigged information I mentioned, we in the assembly often discussed....

[Correspondent] [interrupts Brdjanin] To be precise, the RS assembly is involved here.

[Brdjanin] At RS assembly sessions, we discussed the ways in which we could work better, better ways for our army to live, what is more economical for our state, and so on. I was often disappointed that our people could not hear their representatives directly and see how they represent the voters. Why is the public not told about a certain number of millions of German marks [DM] that have been taken out of the country....

[Correspondent] How many?

[Brdjanin] To be specific, directly and without an indirect compensation [as heard], the deputy prime minister took out DM5 million and, without the assembly's approval, the prime minister approved DM3.5 million for a private person to import oil. These facts are probably not meant for the public, but an even worse thing for the public is that, now, we have neither the oil nor the millions of German marks.

One must also say precisely what has happened to the money involved in the case of the aluminum and in the case of the Golf cars, whether they will be proclaimed commodities that vanished. If one assumes the market price for a Golf car to be DM15,000, 2,000 Golf cars would cost DM30 million. There are many other things, and it seems to me that some questionable people are walking about in the RS.

[Correspondent] What do you mean by questionable?

[Brdjanin] Well, I do not know whether members of the Ministry of Internal Affairs will be able to say as much as I am saying, but we have some businessmen living in Austria about whom it is openly said that they run companies together with Ante Markovic [former SFRY prime minister] and Ahmet Verem, former head of the State Security Service in Banja Luka—companies financed by the Party of Democratic Action. I do not trust such patriots. If you ask me whether I said so in time, my answer is that I did, one should only look at the shorthand notes if these people do not burn them. [passage omitted]

Serbs Hijack UN Truck at Sarajevo Checkpoint

AU1003082095 Paris AFP in English 0740 GMT 10 Mar 95

[FBIS Transcribed Text] Sarajevo, March 10 (AFP)—Bosnian Serbs have hijacked a truckload of flak jackets from the UN's French contingent in Sarajevo, a UN Protection Force spokesman said here Friday [10 March].

The truck, with some 120 flak jackets, was seized at a Serb checkpoint between the airport and the city on Thursday, Major Pierre Chavancy said. The driver of the truck was released unharmed.

This is the latest in a series of such incidents over the past weeks involving the seizure by the Serbs of equipment—mostly bullet-proof jackets and radio transmitters—from UN personnel crossing their territory. A week ago, four Dutch UN soldiers were forced to hand over their flak jackets, weapons and vehicle when held at gunpoint by Bosnian soldiers.

Akashi Accuses Both Sides of Preparing for War

AU0903133995 Paris AFP in English 1247 GMT 9 Mar 95

[By Francis Curta]

[FBIS Transcribed Text] Sarajevo, March 9 (AFP)—UN special representative Yasushi Akashi on Thursday accused Bosnian Moslems and Serbs of preparing for renewed war at a time of heightening tension in the region as a whole.

"Unless the parties to the conflict renew their commitment to the cessation of hostilities agreement, a further deterioration of the ceasefire in the coming weeks is almost inevitable," Akashi warned in a statement issued here and in Zagreb. "Both sides are clearly undertaking military preparations in violation of the spirit of the agreement reached on December 31, 1994," he said.

The four-month nationwide truce, which came into force at the start of the year, has been broadly respected, except in the northwest Bihac region, Akashi said. In Bihac, a besieged government-held pocket, Sarajevo forces are holding out against the combined assault of Serb-backed rebel Moslems, separatist Serbs from Croatia and Bosnian Serbs.

The current "ceasefire agreement truce depends on Bihac," Hasan Muratovic, the Bosnian minister responsible for relations with the UN, told AFP. If Serb forces did not stop attacking Bihac, "we'll have to open fronts in other areas to force them back," Muratovic said.

"There has been an increase in provocative actions undertaken by the Bosnian Government forces," Akashi said for his part. The UN Protection Force (UNPROFOR) here has reported numerous shooting incidents

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along confrontation lines over the past few weeks, notably in the northeast of the country.

Akashi also blamed the Sarajevo government for refusing to take part in joint commission meetings with the Serbs to discuss a furthering of the truce. The government side has refused to discuss new peace initiatives while fighting continues in Bihac.

Akashi and UN force commander General Bernard Janvier are expected to visit Sarajevo on Sunday and Monday for talks with the warring parties, UNPROFOR spokesman Alexander Ivanko said Thursday. Meanwhile, Bosnian Serb forces have "continued to harass minorities living in the Banja Luka area," of northern Bosnia, Akashi also said, referring to reports of renewed ethnic cleansing and attacks against Moslems living in Serb-held territory.

The NEW YORK TIMES said Thursday a classified Central Intelligence Agency report blamed the Serbs for 90 percent of the ethnic cleansing carried out in Bosnia since the war started three years ago. Akashi also blamed both parties for hampering UNPROFOR movements and violating the UN-imposed no-fly zone over Bosnia.

Serbs are hindering UN convoys, while Moslems are imposing growing restrictions to UN efforts to monitor the situation along 1,000 miles (1,600 kiloemtres) of frontlines. A worsening situation coincided with a possible deterioration of conditions in neighbouring Croatia, from which UNPROFOR is due to withdraw from the end of the month, and could have "a serious impact on the region as a whole," Akashi also warned.

In a statement on Wednesday, Akashi had called on Croatian forces and breakaway Serbs in the Krajina region to stand down their military preparations which "can be misunderstood and rapidly lead to escalation."

"It is abundantly clear that military forces on both sides (...) are deepening their defensive positions in preparation for the possibility of resumed fighting" in Croatia, he said.

Reports of Fighting in Republic Through 8 Mar

AU0903151495 Korenica Srpski Radio Korenica in Serbo-Croatian 1800 GMT 8 Mar 95

[Announcer-read report, including recorded telephone reports by correspondents in quotation marks]

[FBIS Translated Text] The fronts were not peaceful today. The joint Croat artillery was active on the Grahovo-Glamoc front. Slavisa Sabljic reports.

"In addition to regrouping and obviously preparing for combat activities, the joint Croat forces attacked Serb positions on the Grahovo front with tanks and multiple rocket launchers. From their positions in (?Slavinjac) at the foot of Mount Dinara, the Croatian Army artillery fired some 30 missiles at positions of the members of the second Krajina corps in Grkovci and Crni Lug. The same locations were the target of the Croatian Army's hundred artillery missiles fired from positions in the villages of Cakari, Rosici, and Pokrajci, at the edge of the lower Livanjsko Polje. With the exception of only a few destroyed facilities in Crni Lug, the attacks today had no effect. Sporadic activities by the Croat forces on the Glamoc front—mostly with small arms—were registered near Mount Golija. Twenty seven NATO supersonic aircraft flights were registered in the skies above Glamoc and lower Livanjsko Polje today."

In the northeastern part of the Vlasic front enemy formations attacked Serb defense positions today. Muslim formations launched three 60-caliber mortar shells from the (?Lokve) region at Serb defense positions at (?Musko Brdo). There were no casualties. Enemy units used the Browning several times. Twenty seven NATO flights were registered on the Vlasic front.

On the Srbobran front soldiers of the army of the Srpska republic observed the regrouping of the so-called Bosnia-Herzegovina Army forces, particularly at Kamenjas and Vucja Glava. The enemy has also continued reconnaissance activities in the region of Prusac and Koscani. There were no combat activities in this area, and 15 NATO flights were registered.

On the Doboj front there was Muslim infantry fire at Serb positions on almost all lines of separation. Zeljka Tomic reports:

"During the day, snipers continued to threaten the lives of Serb soldiers in defense positions in the southwestern part of the Doboj front. During the night and today there was occasional infantry fire at Serb defense positions west of Doboj, most often from (?Sumarska Kuca). There were no Serb casualties, and, following the Serb forces' response, the enemy activities stopped."

The cease-fire was also violated on the Ozren-Vozuca front, from where Jelica Lazic reports:

"During the past 24 hours the Muslim formations were active on the Ozren-Vozuca front—there was heavy infantry fire aimed mostly at civilian targets. From Gnojnica they were shooting civilian targets in two Serb villages at the foot of Mount Ozren on the left bank of the Spreca River, as well as the road connecting the villages. From Rujnica and Maglaj they attacked the villages of Jablanica, which is northeast, and Bocinja, which is southeast of the town. On the Vozuca front, the enemy launched two tank missiles at the Serb village of (?Kavaise) from Starcevac. There were no casualties among civilians, but there was great material damage. At the same time, from (?Paljenik), at the northeastern part of the front, a commando group attempted to break in, but it was quickly repulsed."

Brcko press center reported today that there was occasional infantry fire from the joint units of the Croatian Army and the HVO aimed at the Serb defense positions

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on the Orasje part of the Posavina front. Serb soldiers did not respond to enemy fire.

There were no Muslim combat activities on the Brcko part of the Posavina front. The day was marked by NATO planes observing in sweeping flight Brcko and the Serb positions near the town.

Muslim snipers were active today on the Sarajevo front. Vlado Popovic reports:

"The characteristic of this March day is Muslim sniper fire. The enemy frequently used snipers from Mojmilo and Sokolje to shoot at the Slavisa Vajner-Cica army barracks and Rajlovac, from Sokolovica Kolonija at Tosica Kuce on the Ilidza front, and from the right bank of the Miljacka at Grbavica. There were no Serb casualties today."

Operations Intensify, Serbs Regroup at Brcko

AU1003110295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 10 Mar 95

[Report by Nihad Salihovic and Hamiz Deronjic from the Brcko front]

[FBIS Translated Text] The [Serbian] aggressor over the past 24 hours has intensified combat operations on the Brcko front and has continued to regroup its forces. Yesterday and overnight, the positions of the 215th Motorized Brigade came under machine gun, antiaircraft machine gun, and sniper fire. The chetniks late last night fired a 82-mm mortar at the Bajici region. Enemy forces were reported to be regrouping overnight on the forward front lines on the Brcko front and movements of military trucks were reported in the Traljevac region. Long columns of aggressor combat and transport vehicles were reported last night travelling back and forth through the [Posavina] corridor on the Bijeljina-Brcko-Pelagicevo route.

Army: Number of Serbs Abandoning Positions

AU1003122295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 10 Mar 95

[FBIS Translated Excerpt] [Passage omitted] The Bosnia-Herzegovina 2d Corps Information Service reports that the [Serbian] aggressor has carried out large-scale artillery attacks on the Gradacac front. The chetniks from their positions in Gornje Krecane fired over 20 82-mm shells at army positions in the region of Novalici, while several 120-mm howitzer shells were fired from occupied Osmanovici at the defense lines in Merici. In and around Celic, the aggressor army from the direction of Jablanica used mortars to target our troops in the Grabovica region.

Reports from Posavina indicate an increase in helicopter flights over the corridor, which implies a continuation of the aggressor's attacks on the Bihac safe haven. Reconnaissance units from the 2d Corps have information to testify to an alarming decrease in morale in the units of the so-called Srpska republic army in the Doboj region. Large numbers of Karadzic's troops are abandoning their combat positions and are failing to appear for relief duty. Mladic's military police have their hands full returning the disaffected soldiers to their combat positions, while various repressive measures are being taken against the most stubborn ones. One of the measures entails being transferred to units in the Bihac pocket. [passage omitted]

On the Zavidovici front, in the 3d Corps theater of operations, the Serbian-Montenegrin aggressor and Karadzic's chetniks from the region of (?Podsjelovo) fired at (?Tonjic) and (?Grojeta), while our defenders' lines in Hajdarevici came under mortar attack from the village of Nemici. Sniping has again increased on the Teslic-Tesanj part of the front and enemy reconnaissance groups have been sighted in the area, the 3d Corps Press Center reported.

The aggressor is also active on the free parts of the Gorazde front. Antiaircraft machine guns from Vranovina have targeted our defenses. The aggressor has also violated the cessation of hostilities agreement in using antiaircraft machine guns and M-84 machine guns from Kremenjaca to target Orljak. This morning Karadzic's chetniks have targeted Borovac. [passage omitted]

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UNPROFOR Expects To Keep HQ, Logistics

AU1003122095 Paris AFP in English 1141 GMT 10 Mar 95

[FBIS Transcribed Text] Sarajevo, March 10 (AFP)—The UN Protection Force (UNPROFOR) is likely to keep its logistics bases and headquarters in Croatia even after a withdrawal of its troops from the Serb-held Krajina region, a UN spokesman said here Friday [10 March].

"Currently we're thinking of sustaining our logistics base and headquarters in Croatia," UNPROFOR spokesman Alexander Ivanko said. "If we have that, our operation will become more difficult in Bosnia, but still not impossible" after the withdrawal demanded by Croatian authorities, he added.

"Logistically we shall be able to sustain the mission" in Bosnia providing the UN can keep its base in Split, on the Adriatic, he said. "Without that logistics base, it would be close to impossible to sustain the mission in Bosnia," he acknowledged.

Croatian authorities have demanded the withdrawal at the end of this month of 12,000 UN soldiers deployed as a buffer force in the Krajina region, but have offered to allow the UN to operate its bases in Split and Zagreb, Ivanko said.

But UNPROFOR would have to "either take it all, or leave it all," he said, adding "we're not going to be allowed to keep just Split, by leaving Zagreb." UNPROFOR headquarters for the whole of the former Yugoslavia are currently in Zagreb, along with a large military base at "Camp Pleso" at Zagreb Airport.

The UN had earlier threatened to pull out completely from Croatia and relocate its headquarters in Brindisi, Italy, Macedonia [The Former Yugoslav Republic of Macedonia] or Sarajevo.

Martic: Croatia 'Could Lose Everything'

AU0903145295 Belgrade BLIC in Serbo-Croatian 3 Mar 95 p 3

[Interview with Milan Martic, president of the republic of Serbian Krajina, by Sasa Rajic; place and date not given: "We Have 'Surface-to-Zagreb' Rockets"]

[FBIS Translated Text] We asked Milan Martic, president of the republic of Serbian Krajina [RSK], what was his attitude toward the offered Z-4 plan.

[Martic] This plan was not even taken into consideration. Personally, I do not know what it contains. When the gentlemen who are offering these plans give us guarantees that the peace troops will remain in Croatia and Krajina then we will examine what they offer in the negotiating process.

[Rajic] BLIC has learned from reliable sources that the international community is now preparing a new plan, called Z-3. Are you familiar with the contents of this plan?

[Martic] To tell you the truth, I am not, nor am I interested in it until I receive guarantees that the blue helmets will stay where they are and where their place is.

[Rajic] Tudjman threatened that, if need be, he will also forcefully reintegrate Krajina into Croatia. You answered his threats by installing powerful rockets directed at Croatian towns. Is this a correct decision?

[Martic] We have nothing to hide. We possess rockets "surface-to-Zagreb," "surface-to-Split," "surface-to-Karlovac" which are all named after Croatian towns. We do not want to threaten, this is a method of dissuasion, and these rockets have a peaceful role.

[Rajic] What does Croatia gain and lose in a possible aggression against the RSK?

[Martic] Croatia has the tacit consent of Germany and also some other countries that in case of trying to solve the Krajina question with a six-to-seven-day blitzkrieg they would all endorse Krajina's return into the Croatian constitutional and legal order. If Croatia is defeated on the military front it could lose everything, even what it has at present.

Babic: Peace Force Mandate Changes Unacceptable

LD0903152395 Belgrade BETA News Agency in Serbo-Croatian 1401 GMT 9 Mar 95

[FBIS Translated Text] Knin, 9 Mar (BETA)—Milan Babic, minister of foreign affairs of the republic of Serb Krajina [RSK], said in Knin today that the RSK will not accept any essential changes to the peace forces' mandate. According to him, the Serb side cannot accept the UN Protection Forces [UNPROFOR] coming under the command of "bodies or organizations other than those of the United Nations, regardless of Croatia's threats of aggression."

"My personal opinion is that a new war, which Croatia is declaring on Krajina, can hardly be avoided unless the cease-fire agreement signed by the RSK and Croatia is respected and unless larger contingents of the UNPROFOR are deployed on the separation line between Krajina and Croatia," Babic said.

"Despite interpersonal conflicts in the RSK's political and state leaderships, which came to a denouement in the assembly—the only place where such conflicts can be solved—the RSK Foreign Ministry maintains intensive contacts with all international players involved in solving the crisis in the former Yugoslavia, in order to represent and defend the RSK's stances and interests," he said.

Krajina Assembly Chairman Views Position

AU0803185295 Knin REPUBLIKA SRPSKA KRAJINA in Serbo-Croatian Feb 95 pp 8-9

[Interview with Rajko Lezajic, chairman of the Krajina Serb Assembly, by Ljubica Jelaca; place and date not given: "I Do Not Trust the Croatian Leadership"]

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[FBIS Translated Text] [Jelaca] The assembly has made a unanimous decision to terminate economic negotiations with Croatia. How do you explain such a degree of political accord in the assembly which is, just as with any multiparty parliament, characterized by quite serious disputes, difficult harmonization of opinions, and deep partisan divisions?

[Lezajic] I explain the political accord by the fact that this decision is of primary national interest for the Serbian people in the republic of Serbian Krajina [RSK], and because the deputies represent the people first and foremost. They consistently express the will of the people in the assembly, so it is no wonder that now, as never before when the national interest was in question, there are no differences in attitudes, but only possibly some details.

[Jelaca] Does the decision to terminate negotiations mean the cancellation of the implementation of arrangements already agreed upon with the neighboring Republic of Croatia?

[Lezajic] No, it does not, and all the arrangements that have been agreed and signed are in effect. The talks on economic issues, including political issues, have been terminated primarily because we want to settle all the issues in a peaceful way, without any aggression or threats of aggression, which lately have been heard quite often from the Croatian side. Besides, the RSK has been a UN protected area since 1992. Precisely in order to prevent Croatian aggression against the RSK the UNPROFOR [UN Protection Force] arrived in the region, with the consent of the Croatian as well as the Serbian side, in consequence it may leave only on the basis of a common decision. Our attitude is clear: UNPROFOR should stay in the RSK with the same mandate as it has now.

[Jelaca] Has the course of the negotiations so far had the approval of the Krajina assembly?

[Lezajic] Generally, yes; perhaps there have been slight inconsistencies.

[Jelaca] The Z-4 plan has met with disapproval in Croatia. Do you think this is a tactical or actual rejection of the plan?

[Lezajic] I personally do not trust the Croatian leadership and the Croats in general, because Latins are old, well-known double-crossers. I think that the famed Z-4 plan was worked out with their assistance, so we did not take it into consideration. As far as I could gather about the Z-4 plan from the news, for us it cannot be a basis for negotiations. As far as we are concerned, the basis for negotiations is talks between the two neighboring states that came about in the former Yugoslav republic of Croatia. Let me remind you, in the former Yugoslav republic two equal peoples lived in a joint state, namely Yugoslavia. With the accession of Tudjman's regime to power in Croatia, its members proclaimed the Serbs a national minority, after which they seceded from Yugoslavia. We, Serbs, as an equal people, formed our own state, the RSK, in our historic and ethnic space, which is predominantly the region of Krajina where we have lived for centuries. Our state has existed for four years already; it has been five years since the Serbs and Croats have no longer lived together. We, the Serbs in RSK, after all the crimes that the Croats committed against us, do not feel any need to live together with the Croats, and I believe that Croats do not feel any need to live with us either. The best thing would be for us to lead our separate lives peacefully.

[Jelaca] At the time the Vance plan was accepted there were controversies and even conflicts within Krajina itself, and also with official Belgrade. Today it is obviously thought that the Vance plan is useful for the RSK. How do you explain this?

[Lezajic] The Vance plan engendered both positive and negative results for the RSK. Now the world powers draw upon the Vance plan as well when they propose a national minority ghetto in the Croatian state to us. What we accept in that plan is that there is no prejudging of a political settlement, and that it presupposes UN forces remaining until a political settlement is found. The Vance plan was supplemented by the Zagreb ceasefire agreement of 29 March 1994, when UN forces were deployed along the demarcation line. The misunderstanding about the Vance plan was also because after the UNPROFOR's arrival the former Yugoslav People's Army left Krajina, which means that Yugoslavia definitely departed from Krajina as well. We know very well that the Serbian people in RSK, as with the Serbs in the Srpska republic, never wanted to seceded from Yugoslavia because they wanted to live in the same country as the rest of the Serbian people. Now, a lot of effort and strain is necessary to accomplish the reintegration of the RSK into Yugoslavia, the more so because decisions made by the UN Security Council since UNPROFOR's arrival here until today have been, as a rule, unfavorable for us, particularly after the recognition of Croatia within its artificial, AVNOJ [Anti-Fascist Council of National Liberation of Yugoslavia] borders.

[Jelaca] With the threats of aggression coming from Zagreb and instability caused by the announced withdrawal of UNPROFOR, the RSK government has refused to take into consideration the Z-4 plan. Would you please comment on the document the Contact Group gave to you.

[Lezajic] I did not receive that famous Z-4 document, and I learned all about it from the media. We did not want to take it into consideration, so I cannot make any particular comment on it. However, I can definitely say that there have been three referenda so far in which the RSK population has declared with whom they want to live with and in which state. These referenda have placed us under an obligation, whereas that which is being offered to us—a national minority ghetto in the Republic

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of Croatia—we cannot accept, not even as a basis for negotiations. We can only talk with neighboring Croatia as an equal state and equal, neighboring people. If the world powers again want to know the will of the Serbian people in RSK, we are willing to fulfill their request, but on condition that the will of our people be observed, which means that we are always ready to conduct a referendum so that the citizens can state their opinion once more, even though they have already decided which state they want to live in and with whom. I am profoundly convinced that our citizens desire the reintegration of the RSK into the FRY [Federal Republic of Yugoslavia], of which we were an integral part. That is to say, they want to be in the state regardless of whether it is called FRY or Serbia, where they will live together with Serbs from Serbia, Montenegro and the Srpska republic.

[Jelaca] In your opinion, does UNPROFOR's departure necessarily mean a war, and is the threat of war status that has been announced by the Assembly a response to the threat?

[Lezajic] Knowing that in Croatia there is a profascist regime, I expect that it might carry out an aggression against the RSK, because the Croatian regime is publicly stating that it would reintegrate Krajina into its legal system by hook or by crook, which is nothing but a threat of aggression. As I have already said, the RSK may get reintegrated only within Yugoslavia, the state to which it used to belong. We must remember that since the beginning of UNPROFOR's mandate, Croatia has carried out three acts of aggressions against the RSK, and those were in June 1992 at the Miljevac plateau, in January 1993 at Ravni Kotari and Maslenica, and in September 1993 on the Medak pocket. In all three acts of aggression the Croats committed terrible crimes, primarily against civilians. Therefore they cannot be trusted, so we unanimously made the decision regarding the announcement of a threat of immediate war status to increase general alertness to the highest possible level and prepare every single citizen for possible aggression.

[Jelaca] Is the RSK capable of defending itself from possible Croatian aggression?

[Lezajic] The people of the RSK are at the same time the army of the RSK, and we defend our homes, our children, our people and our land, where we have lived for centuries. We shall defend those sacred things of ours by all means, which means that Croatia, shaped like a crescent roll, will not be crossed and endangered, all the more because Krajina will be defended by our brothers from the Serbian Republic and Serbia. Thanks to our watchfulness Krajina will succeed in defending itself, while the aggressor, in the event of attack, will be punished throughout its territory, including big cities and the hinterland. Or in other words, the aggressor will have to confront the Serbian people, who are much stronger in terms of armament and manpower. Tudjman's militant, profascist regime should be very well aware of this.

[Jelaca] Has the RSK, in your opinion, received clear and unambiguous support from the FRY and guarantees firm enough for its survival regardless of the option Tudjman's Croatia might go for?

[Lezajic] First and foremost, we have the support of the Serbian people, and I think that the FRY leadership, and Serbia primarily, will help as much as it is able to and as much as the needs of the Serbian people require, and consequently the needs of the leadership that the people has elected. We know quite well that their help has never yet failed to arrive because the leadership of Yugoslavia and Serbia support peaceful settlement of the disputed questions, just as we do. I am sure that they will not allow the Croatian Army to commit any crimes against the Serbian population of the RSK.

[Jelaca] How do you view the Srpska republic's proposal that, in the event of an attack against the RSK, the Srpska republic and the RSK unite in a special Serbian state west of the Drina?

[Lezajic] That idea of constituting a joint state in the form of federation between the RSK and the Srpska republic has been endorsed unanimously by our parliament, and we have forwarded that decision to the People's Assembly of the Serbian Republic for consideration, so that we could immediately constitute a federation that would form a confederation with the FRY from the beginning. I would like to say that we want the unification to take place as soon as possible because our assembly has made this decision, thereby fulfilling the desire of the people as expressed in the June 1993 referendum, when 99.8 percent of our citizens voted for the unification of the Serbian states. We strongly desire the unification and welcome it. Such a state would lay the foundation for a joint Serbian state that would encompass the entire ethnic space, which is also our wish.

[Jelaca] Given the internal situation in the RSK and relations in the political leadership, is the political stability of the state assured right now?

[Lezajic] Yes, despite different views regarding certain issues, but the common desire is that problems oppressing the people of the RSK be settled as soon as possible. Differences exist predominantly with regard to minor details and methods of solving problems. Besides, for the welfare of the RSK, everybody should do what the constitution prescribes him to do, and there is no reason for any of us not to do his part since we are all working for the same cause. Even if there are some criticisms of certain operative bodies in the RSK, that does not mean they are not well intended or not aimed at solving problems. Which is to say, if we stick to our assignment and work for the benefit of the people of the RSK, Krajina will have a good perspective and consequently good chances of unifying with other Serbian states in a joint state, even if we name it the united Serbian states.

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[Jelaca] Finally, what is your message to the Serbian people at this time?

[Lezajic] The message to our people is that they need to be more alert; more work, more efforts, more mutual tolerance, more honesty, and more obligations must be fulfilled toward the state.

SRS Leader Trying To Spread Turmoil in RSK

LD0903185695 Belgrade TANJUG Domestic Service in Serbo-Croatian 1628 GMT 9 Mar 95

[FBIS Translated Text] Vukovar, 9 Mar (TANJUG)—Vojislav Seselj [Serbian Radical Party leader] is at the moment the person causing most damage to Serb national interests, said Rade Leskovac, president of the Serbian Radical Party [SRS] of Serb Krajina, in Vukovar today.

Speaking at a news conference, Leskovac said Seselj first broke up his own party and now he is trying to spread to Krajina the turmoil and confusion he created in Serbia.

"This can best be seen from the conduct of some of our deputies who, on Seselj's orders, have been breaking up the republic of Serb Krajina [RSK] assembly instead of consolidating the party's ranks in this exceptionally difficult time for us," he added.

Speaking about the conflict between President Milan Martic and Prime Minister Borislav Mikelic, Leskovac said the SRS-RSK would not take sides, as this would mean involvement in divisions, which may jeopardize Krajina's defense in what was perhaps the most dramatic time since its creation.

For this reason Krajina radicals are appealing to all RSK leaders for unity, because the people did not give them a mandate in order to fight each other in these decisive moments, it was said at the news conference. The departure of UNPROFOR [UN Protection Force] is seen by Leskovac as the opening of a new flashpoint and it would be best if the Blue Helmets remained and the peace process continued. If this does not happen, Krajina will be capable of organizing its own defense, Leskovac thinks; although, the Krajina radicals do not doubt for a second help and support from Serbia as the mother country of all Serbs.

Speaker Defends Decision Not To Dismiss Mikelic

LD0903192095 Belgrade TANJUG Domestic Service in Serbo-Croatian 1730 GMT 9 Mar 95

[FBIS Translated Text] Knin, 9 Mar (TANJUG)—Rajko Lezajic, president of the assembly of the republic of Serb Krajina [RSK], said today that the deputies in the Krajina assembly had rejected the proposal to dismiss the prime minister in a completely regular procedure and by an overwhelming majority. Only 13 of the 62 deputies attending the session were in favor of adding the proposal to the agenda.

In reaction to today's statement from the RSK president's information service, Lezajic described some claims from the statement as "arbitrary, not serious, and unfounded."

As for the appointment of the interior minister, to which Martic's office also objected, Lezajic says it was carried out in a completely legal procedure which, he stresses, the entire RSK public could see in a direct TV transmission of the session.

Lezajic dismissed the claims from the statement that the assembly violated the Constitution, stressing that it is in the competence of the RSK assembly to adopt the Constitution and laws as well as other regulations, and that only the assembly is authorized to give authentic interpretations of the laws and regulations it passes.

Croat-Muslim Talks Resume Near Bonn

LD0903151395

[FBIS Editorial Report] Zagreb Radio Croatia Network in Serbo-Croatian at 1400 GMT on 9 March reports that talks between Bosnian Croat and Muslim leaders near Bonn resumed today "behind strictly closed doors." "There is no information about the details of these talks, but it is known that they are holding talks on differences over implementation of the Constitution of the Bosnia-Herzegovina Federation, and these differences, as Bosnia-Herzegovina Federation President Kresimir Zubak and Vice President Ejup Ganic told journalists yesterday, are not small," reports Correspondent Drago Culina.

Assembly Chairman Mihanovic Rejects Z-4 Plan

AU1003112095 Zagreb VECERNJI LIST in Serbo-Croatian 6 Mar 95 p 5

[Interview with Nedjeljko Mihanovic, National Assembly chairman, by Z. Duka; place and date not given: "There Will Be No Discussion About the Z-4 Plan"]

[FBIS Translated Excerpt] It is not necessary to have a special occasion for an interview with Nedjeljko Mihanovic, who has been sitting in the Croatian National Assembly chairman's hot seat. It is enough that we are talking with one of the most prominent and most responsible Croatian leaders:

[Duka] A new session of the Assembly will be held this week. On what issue on the agenda do you expect the longest discussion?

[Mihanovic] About the problems of administrative and court procedures in connection with moving people out from apartments. Other issues are not especially problematic.

[Duka] The pressing issue for Croatia this spring is certainly the ousting of the UN Protection Force [UNPROFOR] and all that this move may mean for Croatia, including the pressure exerted by the international community to change the decision. Will the

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Assembly perhaps discuss the Z-4 plan, which has already been discussed by some of the parliamentary committees?

[Mihanovic] The Z-4 will not be discussed. All of us agreed at the beginning that this plan had to be rejected. We can see now, however, that the HND [Croatian Independent Democrats] seems to accept it.

[Duka] There seems to be differences among HND members too. Manolic told the press that the plan should be accepted as the basis for negotiations.

[Mihanovic] In my opinion there will be no differences between the HDZ [Croatian Democratic Community] and other parties in the Assembly. The IDS [Istrian Democratic Congress] and perhaps some other parties might have a different opinion about some of the versions. The plan is not only unacceptable for our Constitution, it would be unacceptable for all European and other constitutions of the world. No state can accept such a plan, and there are minorities in almost all states.

I told the French ambassador approximately 10 days ago that France would certainly not accept such a plan if such a problem appeared in Alsace, for example.

I told him not to propose solutions to us that would be unacceptable to everybody else. We do not have any reasons to accept them. In this way the crimes committed in Croatia and the perfidious and public genocide that has gone on practically for a full 50 years now would be rewarded.

Ethnic cleansing by the chetniks began in that region [Krajina] already in 1941; Knin had a population of 65 percent Croats and 35 percent Serbs before World War II, and there is not a single Croat in Knin today. The only evidence that the Croats used to live there were the church and the monastery of St. Ante in Knin. They pulled them down, however.

They committed genocide, they even destroyed the Croatian culture. I can say that the French ambassador was very conciliatory. He only said that the Z-4 plan was a proposal that could be considered.

I also talked with the Russian ambassador last week, who invited me to visit the Russian Parliament.

UNPROFOR Is Protecting "Krajina"

[Duka] What precisely is the official Croatian attitude? Is the Z-4 considered a possible starting point for negotiations or has it been completely rejected?

[Mihanovic] Mr. Tudjman has been claiming since the very beginning that it can be a starting point regarding the issues that do not oppose the Croatian Constitution, the Constitutional Law on Human Rights and National Minorities, and UN Security Council resolutions.

Unfortunately, the UNPROFOR has not implemented a single provision of the UN Security Council resolutions. It should have made it possible for the Croatian police to enter the pink zones three and a half years ago. Everything has remained at the level of rhetorical phrases, however. The UNPROFOR has in effect protected the imaginary border of the so-called Krajina that was achieved through war aggression and terror. According to the Croatian Assembly's resolution of September 1994 Croatia can only accept international forces along the internationally recognized borders of the Croatian state. We shall fully support them in the implementation of that task. All UNPROFOR logistics bases could remain in Croatia and serve the operation in Bosnia-Herzegovina.

[Duka] Which forces would that be? There are rumors that President Tudjman published a concrete proposal for an international peace operation. It was heard that NATO, or the Western Alliance, or the UNPROFOR units should allegedly come to the Croatian borders.

[Mihanovic] It would probably be best if NATO units came to the borders. It would be even better if U.S. military formations would do that, as was done in Macedonia. We would not allow them, however, to come between the Croatian forces and the forces of the so-called Krajina. There must not exist internal borders in Croatia since they have been reached by aggression. It is characteristic of the political behavior of the international community that something like that is accepted if it exists for a long time. This is especially unacceptable if it is done with a mild allusion to the restoration of a phantom (third) Yugoslavia. This is out of the question. Croatia can only cooperate with the countries established after the collapse of the former Yugoslavia.

[Duka] Do you know whether Croatia has really started a new initiative lately?

[Mihanovic] No, it has not. The Defense and National Security Committee met, and President Tudjman remained consistent with his earlier decisions. We think that big powers could very efficiently resolve this situation by exerting pressure on the aggressor to recognize the new states. In the last 45 years nobody has questioned the borders of the republics. During Tito's time the Serbs did not raise this question.

Hebrang Fell Because of Eastern Srijem

[Mihanovic continues] We must not forget that during the whole of the partisan war, and several years after the war too, the official name of the Republic of Croatia was the Federal State of Croatia in the Federative Yugoslavia. This means that the borders between the republics are not only "administrative" as is claimed by Milosevic and Serbian "contesters of the constitution."

It is known that Hebrang fell because he did not support the idea that East Srijem should belong to Serbia. Boka Kotorska, which was traditionally connected to the Republic of Dubrovnik, was given to Montenegro after the war. We accept all this today for the sake of a

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peaceful solution. We cannot allow, however, further splitting and reduction of Croatian territory.

[Duka] Will the Assembly discuss foreign policy issues this week?

[Mihanovic] No.

[Duka] Can you, as the second man in the state both according to your function and personally, predict political events in Croatia in the coming spring—the pullout of the UNPROFOR, possible negotiations etc.?

[Mihanovic] I am an optimist. We believe that Britain, France and the United States of America will change their political attitudes. The change can already be seen in the distance. France was very engaged in organizing the meeting of the three. Britain's position is somewhat undefined, equilibristic.

With the Z-4 plan, Croatia would not solve the most vulnerable of its problems, the problem of refugees. Nobody would return to the areas presently under occupation. If this problem is solved slowly, it means that it will never be solved.

I tried to convince the German ambassador. He alluded to German patience since Germany became united afler 40 years. If the Croatian population could further live in the regions from which it was banished, we would also be patient and wait. We would have the hope that a solution will be reached. This is a completely different case.

The big powers must understand the very sensitive and painful issue of refugees. They should know that this is not neurotic Croatian impatience but logical and just political thinking. [passage omitted]

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Ahrens Offers To Mediate Between Political Blocs

AU0903204095 Skopje MIC in English 9 Mar 95

[FBIS Transcribed Text] The coordinator for interethnic questions in the international Conference for former Yugoslavia, the German Ambassador Gerd Ahrens, yesterday, as part of his visit to Tetovo, also met with representatives of the Democratic Party of Macedonia [DPM]. The German ambassador offered his services to act as mediator between the Macedonian and Albanian political blocs.

In regards to the meeting with Ahrens, the leader of DPM Tomislav Stojanovski stated for Makpress: "In the talks with Ahrens, again, we pointed out the seriousness of the situation in Macedonia [The Former Yugoslav Republic of Macedonia], in particular after the illegal opening of the high educational institution in Albanian language, contrary to the legal decrees. Furthermore, Ahrens categorically denied all manipulations about his alleged support of the Tetovo university in Albanian language.

"The ambassador was also informed about our initiative for contacts with the Albanian political block in Tetovo. In welcoming the initiative, Ahrens offered his mediating services."

Ethnic Albanian Deputies Return to Assembly

LD1003112995 Belgrade TANJUG Domestic Service in Serbo-Croatian 0955 GMT 10 Mar 95

[FBIS Translated Text] Skopje, 10 Mar (TANJUG)—The parliamentary group of the relatively moderate Shqiptar Party of Democratic Prosperity [Partija Demokratskog Prosperiteta—PDP] in The Former Yugoslav Republic of Macedonia [FYROM] has decided to return to parliament after walking out over the misunderstandings concerning the Sqiptar university in Tetovo, TANJUG has learned.

The PDP Central Presidency and Abdurahman Aliti, the party leader and deputy, announced at the party's headquarters in Tetovo last night that the party will resume its assembly duties.

It has been hinted, however, that the PDP group of deputies will insist on a debate on the new regulations in the assembly's rules of procedure, which would permit the use of the mother tongues of minorities [narodnosti] in the work of that highest legislative body.

The leadership of the PDP's radical faction, led by Menduh Taci and Arben Dzaferi, "advocators of a homeland," has not said whether its deputies will return to the assembly or not. Nothing has been heard either from the People's Democratic Party [Narodna demokratska partija], which was the first to "freeze" its deputies' activity in parliament following the armed clashes over the ethnic university in Tetovo.

Government Defends Human Rights Record

AU1003111595 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 5 Mar 95 p 6

[Interview with government spokesman Ismail Djuner by Ismet Kocak and Svetozar Djonovic; place and date not given: "Rights for the Serbs—Gradually"]

[FBIS Translated Text] "We in Macedonia [The Former Yugoslav Republic of Macedonia] do now know what the term 'endangered citizens' is, we do not have any ambition to endanger anybody in Macedonia. It simply cannot happen in Macedonia that there are endangered people," Ismail Djuner, a minister and the spokesman of the Macedonian Government, said in an interview for VECERNJE NOVOSTI.

[Kocak, Djonovic] Until the recent events in Tetovo, Macedonia was considered a country that was relatively successful in solving its pressing issues in parliament. What has been going on lately with the so-called Albanian factor, and do you not think that the latest excesses are a kind of announcement that this issue might spread beyond the Assembly?

[Djuner] Macedonia is now confronted with the restructuring of the so-called Albanian political body. Out of the former unique and monolith political body it is practically being transformed into a normally structured political body. In other words, there is a diversity of political options, of political leaders and parties as well as a diversity of opinions about the economic and political situation and about international issues. These tectonic changes within the Albanian body politic are also leading to certain political options that are not always natural and that are searching for political space by the application of methods that, in my opinion, most of their politicians do not consider possible or applicable.

A Democratic State

[Djuner continues] The Albanian political factor as well as the Macedonian political factor perhaps are still suffering from their childhood diseases, and it is only natural that there are various transformations in the articulation of their political will. These transformations are sometimes very public and loud; sometimes, however, they are expressed in a way that is unacceptable for the rest of the Macedonian political milieu, but such things happen in normal political situations too.

[Kocak, Djonovic] Do you see the latest events in this light?

[Djuner] I see them in the context that the Albanian political factor in Kosovo is silent. This must be compensated for with the loudness of the so-called Albanian political factor in Macedonia. It means that not all of the ideas supported on the Macedonian political scene are original. There are sometimes ideas that are not original, that are created under the influence of immediate neighbors or of some other political factors, which is sometimes also the case with the Macedonian political

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structure. In other words, the Albanians in Macedonia want to compensate here for their political silence or inactivity in Kosovo. Albania too, led by domestic motives, often tries to present ideas in Macedonia that cannot be appropriately presented in Albania. Despite its literally closed borders, Macedonia has remained a democratic country, in which the political behavior of this kind is possible.

[Kocak, Djonovic] The position of the Serbs in Macedonia also gives rise to dilemmas. They are not mentioned in the Macedonian Constitution, but the parliament recently granted them—as well as other minorities—the right to bilingual identity cards and bilingual records in the register of citizens.

Gradual Rights

[Djuner] There is a theoretical conflict between the experts who work on our constitutional right—whether the preamble is a part of the Constitution, or whether it is only a preamble. In other words are the things written in the preamble the expression of someone's will, or are they rather an insignificant description of history? According to other elements, ours is a democratic constitution. Every citizen is protected to the maximum, to the extent this is allowed by the Constitution. I do not claim that this is the most democratic constitution in the world; there are probably more democratic constitutions than ours. The citizens of Macedonia of Serbian nationality will get their rights and freedoms gradually, to the extent they are entitled to them according to their national feelings.

This does not mean, however, that we shall reduce them to their national feelings in the sense that they are Serbs and nothing else. This would be horrible. The question of identity cards and of bilingual signs is one of the civilized provisions that can still be enlarged. This is a step forward compared with what we have had so far. I cannot treat this as a concession to the Serbs. Macedonia really need not make concessions to anybody. The Serbs are simply citizens with equal rights to eveyone else and they will be protected in the way in which every citizen of the Republic of Macedonia is protected.

[Kocak, Djonovic] Everything you are talking about is happening during the blockade of Macedonia from the south and the international blockade of the Federal Republic of Yugoslavia, which affects Macedonia too. What are the economic and political consequences of all that?

Profit From Embargo

[Djuner] Macedonia has with short interruptions been under the embargo imposed by its southern neighbor for four years already. There is also the embargo against the Federal Republic of Yugoslavia, which is being implemented according to the UN resolution. The other two "embargoes"—from the eastern and the western border—are a result of historical circumstances and the lack of appropriate communications, which increases transportation costs to unbelievable dimensions. The consequences of the sanctions and our isolation amount to $60 million per month, which is between $0.5 billion and 700 million per year.

The North-South communication has always been the most developed communication—with roads, railroads and relatively good border crossings—but it cannot be used now. The reasons are clear. Macedonia has been put to a painful test. I have to say, however, that we have all profited from that test. This might sound paradoxical, but it is a fact that Macedonia has used this period to develop its internal strength, it has prepared itself for life under difficult conditions. First, the Macedonian economy is confronted with the situation in which it has to look for new possibilities and new markets, for a new approach to the economy....

In spite of all these difficulties Macedonia has fulfilled its financial obligations so far, either by taking on new debts, by rescheduling old debts, or through grace periods.

At the same time, Macedonia is one of the rare former Yugoslav republics that has already started returning the hard-currency savings to its citizens—admittedly, according to a complicated and very slow method. By selling of property, business premises and apartments, we have so far succeeded in returning about 400 million German marks to our citizens, which does not mean, however, that they have received the real value of their money. A law on denationalization is being prepared for discussion in parliament now. It will also enable us to return something.

We are simply a state in which the hysterical Balkan political problems are not the most important issue on the agenda.

[Box, p 6]

Someone Else's Problem

The problems we have with Greece are practically the problems the international community has with one of its members, the Republic of Greece. In that sense we are not in a direct conflict with Greece. Topics like the flag, the star from Vergina, the name, and suchlike are not topics a serious political factor can discuss. Especially if these are internal issues of another state. After Greece closed its border to Macedonia in a way that does not correspond to international standards, the problem was transferred to international institutions—the United Nations, the European Union, the Conference on Security and Cooperation in Europe and suchlike. Greece will have to solve this problem with these institutions.

Macedonia will help in the sense that it will not raise the temperature and behave in the way dictated by its international obligations. Macedonia will, however, not agree to talk with Greece or with anybody else about its

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flag, its name, or similar topics. This would be like discussing the furniture arrangement in one's own apartment with one's neighbors..

PDP Assembly Official Explains Party Position

AU0903193695 Skopje MIC in English 9 Mar 95

[FBIS Transcribed Text] The Speaker of the Macedonian [The Former Yugoslav Republic of Macedonia] parliament had a meeting yesterday with the PDP [Party for Democratic Prosperity] deputy group, which concentrated on their further participation in the work of parliament.

The coordinator of the PDP group Ismet Ramadani, following the talks with Andov, stated for Makpress: "We never said we wouldn't take part in the parliamentary work, but that there's a dilemma over that. We believe that we should wait for the political ambient to calm down."

In relation to the talks with the parliamentary speaker, Ramadani said that stand of the PDP group was for parliament to discuss the new parliamentary work plan as soon as possible, which would previously be reviewed in detail by experts. It is particularly important to give an expert opinion on the manner of use of the languages in the work of parliament, and then to consult the parties in parliament, before the work plan is added to the agenda.

Otherwise, the central presidency of PDP is holding a meeting today, in which it will discuss the further participation of this party's deputy group in parliament.

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Federal

Scientific, Technical Agreement Sought With PRC

LD0903200795 Belgrade TANJUG in English 1847 GMT 9 Mar 95

[FBIS Transcribed Text] Belgrade, March 9 (TANJUG)—Yugoslav Development, Science and Environment Ministry officials and a delegation of the Chinese State Committee for Science and Technology on Thursday initialled an agreement on scientific and technical cooperation.

The Yugoslav and Chinese governments will sign the agreement later this year and start its implementation. The agreement also calls for a setting up of a mixed commission for scientific and technical cooperation.

The Yugoslav and Chinese officials also accepted a move for the implementation of 116 joint scientific research projects. The head of the Chinese delegation, the committee's Deputy Director-General Juan Shouzeng, said the initialling of the agreement achieved the basic goal of the Chinese delegation's five-day visit to Yugoslavia.

The Chinese delegation toured Yugoslavia's leading scientific institutions. Shouzeng said there were research areas in which Yugoslav experts were leading the world. He said the Chinese side would help resume work on concrete cooperation programs.

Yugoslav Development, Science and Environment Minister Janko Radulovic said this inter-state agreement provided a solid basis for upgrading traditional cooperation between Yugoslavia and China.

Constitution Guarantees All Rights to Minorities

LD0903204795 Belgrade TANJUG in English 1924 GMT 9 Mar 95

[FBIS Transcribed Text] Belgrade, March 9 (TANJUG)—Ethnic Romanians and the other minorities in the Federal Republic of Yugoslavia enjoy all individual rights guaranteed under constitution, Yugoslav Minister Margit Savovic and a Romanian parliamentary delegation said Thursday.

Savovic, a minister without portfolio in charge of human and minority rights, said Yugoslavia respected all provisions of the Human Rights Convention, whose signatory it was.

The Yugoslav Ministry of Information quoted Savovic as saying that the international power-wielders without any arguments in their hands attacked Yugoslavia for disrespect of human rights, using the issue in pursuance of unprincipled objectives.

She said that such attacks were groundless and that an indication of this was the fact that the area of human and minority rights was covered by more than 30 articles of the Yugoslav Constitution. Minorities in Yugoslavia have all rights, from education and media in their own language to participation in the country's political life, Savovic said.

Thirty-seven the 45 municipalities in Serbia's multiethnic province of Vojvodina use the languages of their minority groups along with the Serbian language, she said. Members of the ethnic Romanian community in Yugoslavia believe they enjoy more rights in Yugoslavia than any other group of their fellow-nationals outside Romania, Savovic said.

Of Vojvodina's population of two million, ethnic Romanians account for 25,000 citizens. Primary and scondary schools in ten Vojvodina municipalities have classes in the Romanian language and the faculty of philosophy of the Novi Sad University has a Romanian department.

Vojvodina Romanians also have their own theatres and about 30 folklore societies. Five radio stations broadcast 144,480 minutes of program in the Romanian language while the state-run Serbian television broadcast 13.7 percent of its program, or 8,321 minutes of program, in that language, said Savovic.

The Romanian minority in Yugoslavia has 34 Romanian orthodox churches and the Serbian parliament has put two of them in Vojvodina on the list of cultural heritage, Savovic said.

Serbian Opposition Parties Agree To Cooperate

95BA0170D Belgrade POLITIKA in Serbo-Croatian 14 Feb 95 p 12

[Article by R. Rankovic: "The SRS, the DS, and the DSS Sign, but Not the SPO"]

[FBIS Translated Text] Having agreed on a final version of the Agreement on Interparty Cooperation in Local Government Elections, the presidents of three opposition parties (Dr. Vojislav Seselj of the SRS [Serbian Radical Party], Dr. Zoran Djindjic of the DS [Democratic Party], and Dr. Vojislav Kostunica of the DSS [Democratic Party of Serbia]) yesterday signed the document on cooperation in the presence of journalists.

The leader of the SPO [Serbian Renewal Movement], who did not come to the negotiations, was given until 15 February, which is when the agreement takes effect, to sign it on behalf of his party.

The agreement consists of six points. The first two elaborate the principle of cooperation of opposition parties in local elections—depending on the system to be used in holding local elections. In the first version, then, if local elections are held according to the present two-round majority system, each opposition party would campaign on its own in the first round, while in the second round the candidate of the party that had the largest vote would receive everyone's support in the second round.

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In case the SPS [Socialist Party of Serbia] imposes a new law on local self-government and envisages in it a one-round election, the agreement states, the opposition parties signing the agreement would put forth joint candidates.

A mechanism was worked out at the same time for distribution of the number of candidates for opstina deputies that each party will have: Half of the total number of seats will be equally divided among all parties (each receiving 12.5 percent of the seats). The other half of the seats will be determined in proportion to the size of the vote that the opposition parties received in the 1993 republic election in the respective opstina. In this case, the SPO vote will be taken at 82 percent of the vote of the DEPOS [Democratic Movement of Serbia] coalition.

In the statements made after the negotiations, the presidents of the three opposition parties emphasized that they also talked about the situation in the media in Serbia and that they specifically agreed on forms of parliamentary and extraparliamentary struggle and aid, above all to Studio B, but that they cannot make the details of that agreement public as yet.

Asked by journalists why yesterday's meeting of leaders of opposition parties was not attended by Vuk Draskovic, they said that he had promised earlier that he would come, but that two representatives of the SPO came to the headquarters of the DSS (where the talks were held) in Draskovic's place.

According to what also was said in the news conference, the opposition parties also agreed that they would work out an ethics code for joint administration in local government and that they will also form a coordinating body (on a parity basis) that will act as an internal monitor of the operation of local authorities.

The agreement signed also envisages cooperation of the opposition parties in case of republic and federal elections.

Finally, the opposition parties also agreed that their representatives would submit their resignations to all executive offices in opstinas in which the Socialists are dominant. In opstinas where deputies of opposition parties have a majority, they will immediately undertake to form a joint government.

[Box, p 12]

Draskovic: The SPO Will Not Sign the Agreement

Vuk Draskovic, leader of the SPO, said yesterday that the Serbian Renewal Movement will not sign the Agreement on Interparty Cooperation in Local Government Elections, because, it was stated, no one can send ultimatums to the SPO.

According to Draskovic, the two SPO representatives were expelled from the meeting of the opposition, "because those gentlemen wanted me to be there." In any case, Draskovic gave as grounds for rejecting the agreement the position that this document differs essentially from the one taken up last week in the headquarters of the SRS and that the SPO has the most to lose in the distribution of deputy seats.

In Draskovic's opinion, the most optimal would be for the opposition parties to draw up a unified slate of candidates for the republic and federal elections. Instead of resignations in the opstinas, the SPO proposes that opposition representatives also submit their resignations to ministerial posts and also for all deputies (at the republic and federal level) to turn in their credentials.

Having wished the new coalition all the best, Draskovic recalled that none of these parties has as yet responded to the proposal of the SPO to hold a joint rally in connection with the increasingly bad situation in Serbia.

Country's Draft of Military Doctrine Evaluated

95BA0165B Belgrade VOJSKA in Serbo-Croatian No 118, 10 Nov 94 pp 37-38

[Article by Colonel Vidimir Veljkovic, M.A.: "Scientific Inconsistency"]

[FBIS Translated Text] The military doctrine of the Federal Republic of Yugoslavia [FRY] has finally been offered, if only in draft form, to the community of the Army of Yugoslavia [VJ], as well as the Yugoslav public. In view of the radical changes that have occurred in the character and form of the strategy of armed combat since disintegration of the SFRY [Socialist Federal Republic of Yugoslavia], and thereby also since collapse of its concept of nationwide defense and social self-protection, the document has been awaited impatiently. Especially since quite a bit was rightly expected of it.

And that is why, because the draft has finally been made accessible to the judgment of the public, we should be critical of its content, because the text of the doctrine offered in this way claims to shape all scientific achievements of military science up to this date—and also of course the art of war—into a document that will serve the new state as its relatively stable concept of defense, to remain in effect for a lengthy period. This should certainly be borne in mind because the concepts of the doctrine, of strategy, and similar documents concerned with defense do not change all that frequently.

Defensive Orientation

Critics of the new draft doctrine of the Army of Yugoslavia should probably begin with the dilemma of the authors, who took great pains to provide evidence of all the difficulties they had in their effort. They supposedly did not have a reliable basis from which to work, such as what provisionally might be called the FRY national defense doctrine, which has not yet been written. There certainly was an objective problem, but not an insurmountable one. One does not need to be a wise man to know that the national defense of the new Yugoslavia can only have a defensive orientation and should rely on

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the objective physical, human, spatial, and other potentials that constitute a law-governed state, seriously constituted with all the elements of the state. At the same time, we should realize that with the collapse of the "self-managed society" in all its spheres—economic, political, ideological and spiritual, military, and so forth—we are returning unambiguously to reestablishment of a civil society, and that should be our point of departure in conceiving our new military doctrine. Anything else would be an illusion, whose serious consequences in the not so distant past, among them the loss of the state, have brought us back to reality.

In conceiving military doctrine, it would be a mistake to behave as though we have no point of departure in this effort. We have much of our own and also of other peoples seriously concerned with their defense, we have both theory and practice, we have what has already been thought of and perceived. That is why it is essential to approach the drafting of the conception of our defense with considerably greater seriousness and paying it greater importance. This presupposes maximum involvement of our military thought and practice. We must not allow, as has often been the case in the past, anyone who has gathered supposed military, and at that time also ideological, "knowledge" about military and defense issues, about the people and its army, to offer new "scientific" discoveries that never existed in the tradition of the Serbian and Montenegrin peoples. For that matter, we should be scientifically and professionally serious before the foreign military community as well, because it will be watching what is being offered in our new military doctrine with great attention and a critical attitude.

Advocacy of a New Method

What method do we need in conceiving our new military doctrine? Experiments and utopian (proclaimed to be historical) solutions in the previous defense concept did not withstand the judgment of criticism and the judgment of practice. The answer, that is, should be sought in methods appropriate to the new realizations of science and methodology that are in keeping with the greatest theoretical and methodological achievements of the most important of our own and world philosophical, scientific, and military thinkers and practitioners.

If that is what we want, in conceiving the doctrine we have to apply all of our knowledge, which objectively is not small, and, taking advantage of the rich military legacy of our famous ancestors, we should devise a concept of defense that will be appropriate to the time in which we live. We cannot take shelter behind a simplified meaning of the term "doctrine" in which, by contrast with scientific theories and systems, emphasis is put exclusively on establishing an objective truth of importance to the entire people, but rather the approach must be based on the connected exposition of a point of view concerning defense issues that has quite direct practical importance. Because scientific effort results in the cognition of objective reality, and the professional effort (the doctrine) is based on that cognition, the authors must confirm this in the very content of the text.

The way in which the basic terms of military doctrine have been defined from the standpoint of logical methodology and science cannot withstand the objective judgment of criticism. Especially because the authors of the draft doctrine make it an "obligation" of military science to "reassess the scientific reliability of what has been learned to date," although it is well known that this is a two-way process in which science also "gives" assignments to practice to reassess its activity. If we want the doctrine to truly be a "general instruction for the military profession, a general rule for military activity," which will not be relevant only to "past wars and armed conflicts that were part of them," but will be an opinion "based on those wars and generalizations concerning them," concerning practical activity in future armed conflicts, science must be called upon for assistance. This also applies if we would like to include in the doctrine "only reliable, primarily empirical, standards that can serve as effective formulas in our state's future military activity." The definition of the terms offered must be based on foundations of logic methodology.

Logical Confusion of Basic Terms

Even a superficial reading of the draft doctrine leads to the conclusion that there is logical confusion in the definition of the basic terms, specifically: the supreme doctrinal principle, national defense, Yugoslav doctrine, the organization of the Army of Yugoslavia. For example, the definition of the term "supreme military principle" confirms this best; it reads: "The only possible and justifiable opposition to integral and diverse forms of uninterrupted threat to the security of the FRY for its truly effective defense is through appropriate forms of its total power" (Point 14).

The term "Yugoslav doctrine" is defined as "a system of complementary standards of practical activities, specific defensive functions, formulated in political, economic, legal, technological, educative, informational, military, religious, and disparate other documents; an integral and relatively permanent defense program whose realization brings about the security necessary to unhampered social development and prosperity of the citizens" (Point 15). And the term "military doctrine of Yugoslavia" is defined similarly as "a realistic programmatic point of view, expounded coherently and based on reliable knowledge, concerning all the fundamental issues of military activity in the domain of its integral defense" (Point 21). Unfortunately, the terms "national defense" and "organization of the Army of Yugoslavia" (Points 14 and 30) have experienced the same fate.

Why is it that these definitions were not grounded in logical methodology and science? The main reason is that the definitions do not contain basic logical elements.

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And for definitions to be put on a sound logical foundation, it is essential that they be neither too broad nor too narrow, that they contain only essential elements (features) by which the content of one term differs from the content of the other terms, that they not be circular, that they not use metaphors, and that they be sufficiently clear.

In these examples, there is much that is wanting. The metaphorical nature of the definitions is particularly pronounced, which makes them unnecessarily attributive and flowery. For example, the words "integral," "disparate," "uninterrupted," and "truly" in the first definition; "complementary," "practical," "specific," "integral," and "relatively" in the second; and "realistic," "reliable," "fundamental," and "integral" in the third, confirm the judgment already stated. At the same time, the definitions are burdened with nonessential elements (features) and enumerations that make them awkward and nonessential (for example, "political, economic, legal, technological, educative, informational, military, religious, and other doctrines"). Even the most careful reader will have difficulty determining in each of the quoted definitions what is their definiendum and their definiens.

The definitions are basically functionalistic in their methodological character. In them, the military sphere is subordinate exclusively to maintaining the present system. In such a society of harmoniously connected parts, from which all radical changes are excluded, functional unity is represented a priori, but to the exclusion of man and his active role in that system and its defense, of course.

Strength Lies in Man

Where is man in all this! There is very little about this in the draft military doctrine, and the mention of it is intolerably modest. Many of those who knew the arts of war and were historical figures, such as Tsu Wu, Napoleon, Frederick the Great, Machiavelli, Mehring, Engels, the poet Petar Petrovic Njegos, General Zivojin Misic, spoke about man with great respect. That is why our new military doctrine must be turned primarily to man, not exclusively to the functioning of the system.

The previous defense concept, especially its ideological foundation, should be rightly criticized and rejected for everything that was abstract and utopian in it. If in that concept man was an abstract and politicized ideological figure, who could display his humanity only by achieving the "great" ideals and by unselfish sacrifice for "some remote generations"—self-management, brotherhood and unity, the Concept of Nationwide Defense and Social Self-Protection, the LCY [League of Communists of Yugoslavia], in the new doctrine man does not give evidence of his personality only within the confines of general social values—the fatherland, patriotism, love of freedom, creation of the state, but also by displaying individual (human) values—honor, decency, private property, personal freedom, prestige in society, the family, legal and social security, political, economic, and cultural democracy, and free creativity.

Unfortunately, even in the draft of the military doctrine man has by habit been placed once again where he really has never had a place—in the support of combat actions (moral and psychological propaganda), together with engineering support, hydraulic and navigational support, fire-fighting support, NBC [nuclear, biological, chemical] support, information support, and other forms of support.

NBJ Central Bank Ceases Credit Financing

95BA0170F Belgrade POLITIKA in Serbo-Croatian 15 Feb 95 pp 1, 9

[Article by TANJUG: "The Central Bank Ceases Credit Financing"]

[FBIS Translated Text] If anyone expects that the National Bank of Yugoslavia [NBJ] will augment the deposit potential of the banks with primary note issue or will finance investment projects and other purposes with "reserve" money, that hope is unfounded, Ratko Banovic, vice governor of the NBJ, announced yesterday.

In a meeting of the Committee for Banks and Financial Institutions of the Chamber of Commerce of Yugoslavia, Banovic said that the same is true if banks or firms are counting on the NBJ treasury in working out various financial arrangements.

All of this, Banovic was explicit, suggests the conclusion that the central bank will assume the role of the commercial banks, that is, their credit function, in addition to its monetary role.

The vice governor also pointed out that last year, ending on 31 December, remonetization was completed, so that the money supply will be held at the present level to the end of the first quarter. The money supply will change in keeping with the growth of production until the end of the year.

This means that the NBJ will not keep up with a possible rise of prices by increasing the money supply, but rather the injection of fresh money will depend exclusively on the growth of production.

The creation of money by issuing notes will depend exclusively on foreign exchange transactions and all forms of foreign exchange arrangements that influence the growth of foreign exchange reserves, which means that "reserve" money must have coverage denominated in foreign currencies.

Banovic particularly warned the banks not to expect the central bank to "iron out" irregularities that occur because of a discrepancy between their credit activities and available deposits.

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That was why Banovic recalled that the NBJ governor, Dr. Dragoslav Avramovic, warned the banks back in September to be careful about their loans, the volume of lending, and the security of prompt collection, and in October he even took measures that bankers seem to have thought were a passing thing.

In December the government once again pointed out clearly that the NBJ would not "rescue" a single bank from its losses if they occurred through its own inadvertence and intolerable ease in granting credits, but it seems that there are still those who count on the NBJ to intervene nevertheless with additional funds in February or March.

That is out of the question, Banovic was explicit, and the NBJ will not "smooth out" any imbalance that has occurred between the deposits and loans of banks, but can only intervene on a daily basis to "complete the circle" in settlements.

This means that the banks and the economy must in the future alter their business policy completely and "live within their means," keeping an account of every dinar they lend.

In the case of working capital, people forget that this is not only money, but also raw materials, production supplies, and inventories of finished products. In the middle of last year, Banovic recalled, there were 6 billion dinars in physical form, while there were about 1 billion in money.

Banovic announced tighter control of business operation of banks, but he was also in favor of other monitoring entities in the country, above all those that oversee financial operations, to become involved in this, because this is the only way to keep an eye on all money flows.

Large assets are being kept in inventories, "frozen" in goods or in foreign exchange used in speculations, waiting to see what will happen to the program.

This has to change if people want to continue to work, because neither the commercial banks engaging in poor business practices nor business firms can count on the money of the NBJ for this purpose, the vice governor said.

Metallurgy Plant To Receive Russian Fuel

95BA0170C Belgrade POLITIKA in Serbo-Croatian 7 Feb 95 p 11

[Article by M. Zivkovic: "Agreements Reached on Supply of Fuel"]

[FBIS Translated Text] Smederevo, 6 Feb—Sartid 1913, the Smederevo steel industry concern, was visited today by Serafim Zakharovich Afonin, Russian Federation [RF] minister for metallurgy, who had talks with the management of the largest firm here as a member of the Russian Government's economic delegation that arrived in our country yesterday.

"I think that these people here have the right to work and that the politicians who decide whether they will work or not should appreciate that," Minister Afonin said in a news conference.

"I do not engage in politics," he emphasized, "but I think that a serious moment has arrived when 13,000 people are deprived of the right to work."

"It is my impression," Mr. Afonin said, "that this steel mill has a great future. It needs only to improve its technology somewhat to be completely competitive on the world market."

Dusko Matkovic, general director of Sartid 1913, said that certain specific contracts have also been arrived at in today's talks. These mainly pertain to the supply of fuel, short-term and long-term deliveries of Russian natural gas to the steel mill here, and also to the possibility of establishing joint ventures with Russian firms.

Tomica Raicevic, federal minister without portfolio who visited here with the Russian metallurgy minister, said that they talked about practical steps in Smederevo.

Serbia

War Veteran Organization Calls Up Volunteers

AU0903151095 Belgrade NASA BORBA in Serbo-Croatian 9 Mar 95 p 4

[Article by D. Petrovic: "5,000 Volunteers Already Ready"]

[FBIS Translated Text] Belgrade—The Association of 1990 War Veterans has recently sent out a letter to their municipal organizations throughout Serbia, calling on them "to take measures to mobilize volunteers who are ready to go to the aid of the Serbian people in the republic of Serbian Krajina [RSK] in case of aggression by the ustasha forces, in view of the military and political developments in Croatia and the RSK, following Tudjman's decision on the withdrawal of the UN Protection Force."

We have learned from Aleksandar Dragisic, a member of the Executive Committee of the Association of 1990 War Veterans, that—in accordance with this call-up—an operational headquarters has been formed, consisting of a dozen men, mostly retired officers of the Yugoslav Army (by the decision of the Yugoslav Army, officers on active service are banned from involvement in the association), and the deadline for the mobilization of volunteers is 14 March. We were told that these retired officers would be the commanders of the units, which will be sent—immediately after the deadline expires—to areas where "the heaviest Croatian military attacks are expected (Okucani, the highway, and the Knin area)."

"During this short period 5,000 fighters have already responded to the call-up and are ready to go to Krajina.

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The number will certainly be much higher, considering the impressive figure of our members and sympathizers. It is enough to tell you that in the Vozdovac Municipality alone there are about 12,000 fighters, and 4,000 of them are our members," Dragisic said.

We were interested in whether this "mobilization" was being carried out in cooperation with the Yugoslav Army and the political parties.

"We have no support from the Yugoslav Army, but they did tell us that, if Croatia attacks, they would act in accordance with the Vance plan, and order mobilization. On the other hand, we are in close touch with the authorities in the Srpska republic and the RSK, and equipment and weapons are waiting for us there. As for the political parties, we are an extraparty organization, and our members come from all parties. The chairmen of some committees are even members of the Socialist Party of Serbia," he stressed.

In connection with this call-up, the Association of Serbs from Serbia has issued a statement, calling this act "a crime similar to when Serbs were sent to the Srem front." "While our fighters were fighting the war, the Krajina men deserted to Serbia in an organized fashion, took over the apartments and jobs of Serbs from Serbia, and organized war profiteering," the statement says, adding that the Association of Serbs from Serbia has launched an initiative to determine the responsibility of the Association of 1990 War Veterans and to effect the abolishment of the operative headquarters, which "assembles paramilitary formations for wars outside Serbia."

Aleksandar Dragisic told us that they did not take much heed of the Association of Serbs from Serbia, since they "believe it to be a fascist organization."

"I can only convey to them and to the Croats that, if Croatia makes the mistake of attacking the Serbs in Krajina, we will march directly on Zagreb," Dragisic says.

Volunteers To Defend Prevlaka

AU0903144495 Belgrade NASA BORBA in Serbo-Croatian 8 Mar 95 p 16

[BETA-attributed report: "Arkan's Guard Will Defend Krajina and Prevlaka"]

[FBIS Translated Text] Pristina, BETA—Borislav Pelevic, vice president of the Party of Serbian Unity [SSJ], stated in Pristina yesterday that a Serbian volunteer corps will be mobilized and placed at the disposal of the Serbs in Knin Krajina if the UN Protection Force [UNPROFOR] pulls out of Croatia.

At a news conference, Pelevic said that military forces commanded by SSJ leader Zeljko Raznjatovic Arkan will be engaged in the defense of Prevlaka if the UN peace keepers withdraw from this strategic point.

According to Pelevic, UNPROFOR's withdrawal from Croatia would lead to increased incidents in the border areas, that is, a danger of new clashes breaking out. If the Croatian Army attacks Knin and Prevlaka, Yugoslavia must not remain indifferent, Pelevic said.

Seselji: Milosovic Blocked RSK Confidence Vote

LD0903154795 Belgrade BETA News Agency in Serbo-Croatian 1401 GMT 9 Mar 95

[FBIS Translated Excerpt] Belgrade, 9 Mar (BETA)—Vojislav Seselj, chairman of the Serbian Radical Party [SRS], said today that Serbian President Slobodan Milosevic "personally intervened and prevented the holding of a confidence vote in the government of the republic of Serb Krajina [RSK]."

"Milosevic prevented the debate yesterday on Borislav Mikelic's government because he knew that this debate would have caused him great political damage," the leader of the Radicals said at a news conference.

Seselj accused the RSK prime minister, together with Milosevic, of deliberately causing turmoil in the RSK army and the Krajina. He added that Mikelic was well known as "a man involved in large-scale commercial crime and as the closest partner of Serbian Prime Minister Mirko Marjanovic."

"Milosevic will not stop here. He is already preparing initiatives for toppling Srpska republic President Radovan Karadzic and RSK President Milan Martic," Seselj added.

Speaking about the announced UNPROFOR [UN Protection Force] withdrawal from Croatia, the SRS chairman said that "this is a huge diplomatic game involving the world powers, whose aim it is to keep the UN peace forces there, but under different conditions."

According to Seselj, the main aim of the international community is the deployment of UNPROFOR along the border between the RSK and the Federal Republic of Yugoslavia and between the RSK and the Srpska republic. [passage omitted]

Poll Rates Popularity of Radio, TV Programs

AU0903183495 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 9 Mar 95

[Mirjana Protic report]

[FBIS Translated Excerpt] Research on the popularity of the media in the Federal Republic of Yugoslavia conducted in December and presented by the Partner Agency at a news conference held at the International Press Center today shows in a well-documented way that of the many radio stations, the Belgrade Radio First Channel has the largest number of listeners. Television of Serbia's First Channel has the largest number of viewers. Radio and Television of Serbia's programs have the largest number of listeners and viewers and the

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research shows that the first channels of Belgrade Radio and Belgrade Television are in the absolute lead.

The television programs with the largest number of viewers in the Federal Republic of Yugoslavia are the Dnevnik newscast of the Radio and Television of Serbia and the domestic serials that are shown on Sundays after the Dnevnik newscast on the Radio and Television of Serbia's First Channel.

The data presented at the International Press Center corroborate the previous research of the Radio and Television of Serbia headquarters about the extremely large number of listeners of Belgrade Radio and the very broad territorial distribution of viewers of Television of Serbia. Expressed in minutes, radio programs on the average are listened to for 170 minutes every day and television programs are viewed for 204 minutes. Interest in radio programs is the greatest in the morning and interest in television programs is the greatest in the evening hours.

Let us recall that, according to research done in the past by Radio and Television of Serbia headquarters, the largest number of listeners is attracted by the Belgrade Radio First Channel "News of the Day" newscast [1400 GMT newscast] and the morning program that is listened to by several million Yugoslavs. The most influential information program is "One Argument More," and one of the most prominent and influential programs is "Sunday at 10," which has received exceptional praise from Yugoslav National Bank Governor Dragoslav Avramovic. [passage omitted]

Trade Minister Insists on Strict Price Controls

95BA0170H Belgrade POLITIKA in Serbo-Croatian 16 Feb 95 pp 1, 9

[Article by Al.S.: "The Government Will Not Allow Anarchy and Monopolistic Behavior"]

[FBIS Translated Text] Vranje, 15 Feb—"From the moment early in the year when cigarette producers raised the prices of their products as much as 80 percent, which in a way signified the beginning of the inflationary rise of prices, more than 250 market inspectors have checked prices in 560 firms and found unwarranted raising of retail prices in 70 percent of the cases. A check conducted on the last day of January showed different results. In short, a large number of business entities have accepted the decrees of the Government of Serbia and corrected retail prices. Unfortunately, there are firms that have not done so, and also those that even after that date have been raising the prices of their products," said Srdjan Nikolic, minister of trade and tourism in the Government of Serbia, at a news conference today in Vranje.

In making the case for higher prices, producers cited numerous reasons, but particular emphasis was put on the rise in prices of fuels, higher costs of shipping and containers, higher prices of imported components, as well as the resurgence of scalping with foreign exchange, Nikolic went on to say.

It is certain that these grounds are not valid in numerous applications, and so the government has reacted very quickly and adopted the Decree on Rollback of Prices to the Level of 25 July 1994, that is, to the time when prices were deflationary. The basic concept of the free setting of prices has, of course, not been abandoned for a moment.

Minister Nikolic then spoke about the "reasons" behind the huge rise of retail prices, mentioning in this connection that fuel prices last year even recorded a drop, and this can also be said of container costs, which have a share of hardly 1 or 2 percent in the price of the finished product.

"It seems that the rise in salaries contributed quite a bit to the surge of price increases since the beginning of the year. In January 1994, average wages in the republic were 26 dinars, and in December all of 284 dinars, or no less than 11-fold more. Probably the purpose behind the rise in prices of products was to achieve high salaries. Incidentally, a considerably slower rise of incomes was anticipated in the program," Minister Nikolic went on to say.

Without abandoning the policy of the free setting of prices, the government expects that other economic entities will also respect the decree and very quickly correct the prices of their products. At the same time, Nikolic went on to emphasize, we should expect more constructive cooperation from interrepublic coordination, and this would get away from price being a factor of market instability, which since the beginning of the year has threatened to result in renewed chaos.

A Decree Against Monopolistic Behavior Soon

"An antitrust law is being prepared in cooperation with the Federal Government. At the same time, the Government of Serbia, that is, the Ministry of Trade and Tourism, is preparing a decree concerning this subject matter. This decree envisages even rigorous penalties for business entities that do not respect agreements in the price area. Aside from confiscation of goods, the penalty may be a ban on engaging in business lasting from one to five years, and it would apply to individual entities in the economy, not entire groupings," Minister Srdjan Nikolic went on to say. "This is an ongoing campaign, and after obtaining data, after the inspection, and after adoption of this decree, we will take steps against those who do not behave properly."

The specific reference here is to being dropped from the list of all privileges, and at the same time the suggestion is being made to the banks that they also take such action against those who have not heeded the decree. Finally, a prison sentence of not less than one and not more than three years is also envisaged for nonobservance. We should add to all this, Nikolic continued, that the Federal Government has shown a readiness to support the

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efforts of the Government of Serbia. Especially because these measures will not threaten the market or the movement of prices even for a moment.

"Do Not Test the Government's Willingness"

"This year's check has been a factor for stabilizing the market not only in terms of data, but also as a psychological factor. Especially because there were price corrections after that, and any further rise has been halted," says Stojan Zdravkovic, chief republic market inspector and assistant minister of trade and tourism. "And what is more, hotel and restaurant owners are ignoring the decree, because even after 31 January four-fifths of them have continued to raise prices, and since that date 17 percent of business entities have continued to increase their markup."

"I would not recommend that anyone test the readiness and persistence of the Government of Serbia. All available possibilities will be used against those who behave improperly and do not honor the decree. We will not allow anarchy and monopolistic behavior of economic entities on the market. In its very next meeting, the government will debate the gray economy, and the documents have been prepared," Srdjan Nikolic, minister of trade and tourism in the Serbian Government, said in conclusion of today's news conference in Vranje.

Montenegro

Prime Minister Meets Russian Minister Davidov

95BA0170B Belgrade POLITIKA in Serbo-Croatian 7 Feb 95 p 11

[Article by TANJUG: "Gratitude for Russia's Position"]

[FBIS Translated Text] Milo Djukanovic, Montenegrin prime minister, spoke yesterday in Belgrade with Oleg Davidov, deputy prime minister and minister for foreign economic relations of the Russian Federation [RF], the Federal Secretariat for Information announced.

Expressing satisfaction at meeting guests from friendly Russia, Prime Minister Djukanovic expressed gratitude on behalf of the Montenegrin state leadership for Russia's constructive approach to finding a permanent solution to the crisis on the territory of the former Yugoslavia.

In speaking about the Montenegrin economy, Prime Minister Djukanovic particularly emphasized the difficulties that have arisen since introduction of the sanctions of the international community against our country, but also because of natural disasters that have befallen Montenegro in recent years.

Montenegro, Djukanovic said, possesses a large natural potential and sees its own chance for development in intensification of industrial production, maritime shipping, tourism, and capital investment projects in the port of Bar. These are areas in which forms can be found for future cooperation with the RF, which could become particularly important if the sanctions are relaxed or completely removed. Russia's role in this is great, but only an economically strong and politically stable Russia is a reliable guarantor of the stability of the new world order and peace in the world, Djukanovic said.

Prime Minister Djukanovic brought up-to-date the idea of opening an RF consulate and cultural and information center in Montenegro.

The key issue for Montenegro today is obtaining fuels for the largest industrial giants in the republic: the aluminum combine in Podgorica and the Niksic steel mill, as well as repair of breakdowns at the Pljevlja Thermal Electric Power Plant, Prime Minister Djukanovic said, adding that the people of Montenegro expect help from the RF in solving their problems. Tekhnopromeksport, a large Russian firm, has made an offer to repair the thermal electric power plant, and, it was agreed, this offer will be stated in detail in the very near future.

At the end of the conversation, in which Nikola Sainovic, M.A., deputy federal prime minister and federal minister for the economy, and Miodrag Gomilanovic, Montenegrin minister for industry, fuel and power, and mining, also participated, Milo Djukanovic presented to Oleg Davidov a gold medallion bearing the image of King Nikola I Petrovic, the news release of the Federal Secretariat for Information stated in conclusion.

Kosovo

Article Views Mining Industry Potential

AU0903150595 Tirana RILINDJA in Albanian 5 Mar 95 p 3

[Article by I. Rexhepi: "Serbia Counts Its Chickens"]

[FBIS Translated Text] The war in Croatia and Bosnia-Herzegovina has also had its economic aspect. Serbian forces assisted by the former Yugoslav People's Army have occupied the main source of oil in Croatia, while Serbian Army offensives in Bosnia-Herzegovina have concentrated on areas rich in minerals and with sources of energy. Such developments on the battlefield are not only in the interests of the Serbs remaining in these two former Yugoslav republics, but are also in the interests of Serbia and Montenegro, which do not possess very great mineral reserves. At least, this is the case if one excludes Kosova, which is the main source of underground resources in rump Yugoslavia, and is the sole producer of some ferrous and nonferrous ores. This has been admitted even by the statements of Serbian leaders, who see prospects for their state in the exploitation of Kosova's underground wealth, either by mining it themselves or in granting it to international companies. However, this must be understood as wishful thinking, without any real prospect of coming true, because their plans are at present tramelled by the economic sanctions, and it will doubtless be the Albanian population who will decide on such matters in the future. Dr. Ibrahim Rugova said as much when he declared that "Kosova's political and state

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institutions are responsible for the wealth of Kosova. Nobody can bargain with these resources."

A Winter Full of Warnings

The electricity restrictions have demonstrated how weak Serbia is in the energy field. Any disruption in input to the hydroelectricity stations, especially those in Djerdap, puts a question mark over the electricity supplies throughout this self-styled state in this part of the Balkans. This is not true of Kosova, which, even with its aging and dilapidated thermal power stations and its wretched equipment for coal mining, not only meets the needs of its own consumption but those of consumers elsewhere. Its production would even more or less cover the needs of industry, if this industry were operating.

This may be the reason why there is now greater interest in Kosova's energy potential. Pierre Delaporte, former director of the French electricity industry, declared in a Serbian newspaper, "As soon as peace comes, the need will arise to modernize and expand existing capacities, especially by using coal from Kosova." This means that there will be in the future a total reliance on Kosova coal, even for the production of electricity for export, from which, under existing economic relations, Kosova would not benefit in the slightest. However, research into mineral reserves and prospective sources of energy has shown that Kosova has very large resources, many of which remain unexploited. Serbia and others abroad may be interested in coal at the moment, because this can be exploited immediately. It is reckoned that Kosova's underground resources total 14 billion tonnes of coal, which, even if exploited to the maximum for the planned needs of the thermal power stations, could not be exhausted for 700 years. In the knowledge that Kosova accounts for 70 percent of its reserves of lignite, Serbia will strive to maintain its occupation of the Albanian lands as long as possible.

After heavy investment in the open-cast mines at Dobroselle and Bardh i Madh [Dobro Selo and Belacevac], it was possible to extract 16.7 million tonnes a year. However, this figure was never achieved, and the highest figure recorded was a production of 10.6 million tonnes of coal in 1988. In this same year, 5.6 billion kilowatthours of electricity were produced, and both the gasification and coal-drying plant were in production, while needs for coal were also greater. The volume of production later fell, while after 1990, i.e. after the forcible incorporation into Elektroekonomia of Serbia and the dismissal of Albanian workers from their jobs, there was a general economic collapse and destruction of production capacity that included the open-cast mines and the thermal power stations. Even in this difficult situation for the workers of Kosova Elektroekonomia, especially for those left jobless, there is room for hope: The coal reserves are being preserved, including even those seams that are ripe for exploitation.

Water as a Bulwark

Production in Kosova's mining industry has been totally suspended, which means that reserves of ore and nonmetallic minerals have remained untouched in the five years since the Albanian miners were sacked. The truth is that Serbia attempted to activate the mines, but always failed, and cannot even maintain them now, which has led to water penetrating the underground galleries of Stari Terg and Novoberde. Even though it would be very difficult to resume work in the mines, one must nevertheless not underestimate the fact that all Kosova's underground wealth has remained in place. Serbia was interested in exploiting as much ore as possible, especially for its strategic and military industries, but never succeeded in this. As a sign of Kosova's strength, it is sufficient to mention the fact that it possesses proven reserves of 120,300,000 tonnes of lead and zinc ore, or 50 percent of the reserves of the former Yugoslavia. Kosova's advantage is that its ore also contains many other metals such as cadmium, germanium, copper, bismuth, silver, gold, indium, galium, and barium. In Novoberde, there are even proven reserves of 1,300,000 tonnes of manganese ore, a metal not found anywhere else on the territory of rump Yugoslavia. Likewise, chromium reserves are found solely in the Deva mine of Gjakove [Djakovica], as part of the seams that stretch into the territories of Albania and Macedonia. Nor must one underestimate the fact that 10 percent of the reserves of bauxite ore of the former Yugoslavia are in Kosova, which is also the sole producer of ferronickel. There were once efforts to produce this metal in Macedonia too, but they did not prove profitable. There are now 20 million tonnes of nickel ore in Gllavice and Cikatove, but no other localities with this resource.

Kosova is also attractive for its reserves of nonmetallic minerals. Kosova possessed 8.4 million tonnes, or 70 percent of the former Yugoslavia's 13.4 million tonnes of magnesite. This mineral was outstanding for its high quality, making it attractive on the international market. However, the mines of both Magure and Strezovc were exploited from the beginning by Magnohrom of Kraljevo. This area also includes all the former Yugoslavia's reserves of potash, one fourth of its sintermagnesite, and one tenth of its kaolin.

Without calculating the enormous potential for the exploitation of these minerals, they represent a great resource for Kosova's future. It is particularly important that they represent a very large energy resource and include reserves of nonferrous ores. Of course Serbia too, with its improvised maps showing the possible partitions of Kosova, envisages the areas with the greatest reserves as Serbian soil. However, Serbia makes all these calculations without taking into account the interests of the Albanians, just as it is trying to find possible investors to repair the mines and to put them to use in the same way as the British and the Germans used them in the past.

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